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EDITOR'S NOTE:

"He's our kind of guy" is how a senior administration official described Indonesian President Suharto in explaining why President Bill Clinton recently granted a high-level "private" visit to the man who, according to a 1968 CIA study, helped unleash "one of the worst mass murders of the twentieth century."

"Our kind of guy" is, no doubt, an appellation Prime Minister Vo Van Kiet and other Vietnamese communist leaders also hope to have bestowed on them soon. The normalization of relations with the United States this year, along with a fervent desire to join the pack of Asian "tigers," make this more than wishful thinking on the part of the Vietnamese.

It is this new era in Southeast Asia that our December issue explores. The United States government's approach toward the region may be based on the belief that, "What is good for Microsoft—or Exxon, or Boeing—is good for America," but the articles in this issue use more than an economic yardstick to understand and evaluate change in Southeast Asia, focusing instead on the degree to which political liberalization has occurred and quality of life has improved. The articles' conclusions, while varied, suggest that the attributes found in "our kind of guy" may not be those that the region's peoples find especially endearing—or constitute the ideal embodiment of their democratic aspirations.

COMMENTS ON THIS MONTH'S ISSUE?

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"It will be difficult to promote meaningful American 'engagement' in Southeast Asia against the tide of neoisolationism and hostility found in Congress and among much of the American public. . . [But] the United States, by acting with political sensitivity, must confirm its position as a reliable great power that will remain fully engaged in Southeast Asia over the long haul."

The United States and Southeast Asia Enter a New Era

FREDERICK Z. BROWN

In April 1975, when the pro-United States governments in Saigon and Phnom Penh fell and the neutralist government in Vientiane moved into the communist camp, it seemed that the United States might be tempted to withdraw from Southeast Asia. Of course, this would have been impossible. The United States retained extensive economic interests throughout the region and, outside Indochina, the skein of American security arrangements and fundamental political relationships remained in place. The people of Indochina had suffered immensely for a generation (and continued to do so for another generation), but for the United States the damage was to its credibility during the cold war. In 1977, the plaintive mantra of the Carter administration became, "the United States will remain an Asia-Pacific power."

When Vietnam invaded Cambodia in 1978, the United States quietly backed the Association of Southeast Asian Nations and China in order to force Vietnam, supported by the Soviet Union, out of Cambodia. It is now clear that this policy to "Let ASEAN take the lead!" contributed to the eclipse of Soviet power in Asia and to a radical reorientation of Vietnamese foreign policy. Ironically, Hanoi's Cambodia adventure and its grievous consequences for Vietnam and the Soviet Union turned out to be a major victory for ASEAN solidarity, creating the conditions for the relatively stable geopolitical situation we see today in continental

Southeast Asia. The cost of this stability, however, to the Cambodian people was extremely high. Moreover, it is undeniable that a good deal of American "face" departed with the helicopters that left the roof of the United States embassy in Saigon on April 30, 1975, and that the international prestige of the United States still suffers from an image of inconstancy born of the tragic events of the 1970s.

With the end of the cold war, Southeast Asia has charged ahead with its astounding economic growth (the world's tallest skyscraper is under construction in Kuala Lumpur as this is written). ASEAN has emerged as a remarkably resourceful regional political and economic grouping. The cold war's end, however, does not promise tranquillity. On the contrary, it holds the danger of regional conflict because of an unpredictable and perhaps expansionist China. In this new environment, American foreign policy operates under familiar tensions: between idealism and pragmatism; between multilateral and unilateral impulses; and between isolationism and involvement.

THE DEMISE OF IDEOLOGY?

A guiding principle for American policy in the twentieth century has been to prevent any single power from dominating Asia's landmass or the waters of the Pacific. Following Japan's defeat in World War II, the countries that threatened American interests in the context of the cold war were, obviously, the People's Republic of China and the Soviet Union. China intervened in Korea in 1950, causing stalemate in a war the United States thought it had already won; the result was an international security problem that today has nuclear dimensions. In addition, Beijing's desire to exert control over

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an errant Taiwan province has disturbed the United States-China bilateral relationship for almost half a century. Moscow's attempt to challenge American naval dominance in the western Pacific after the United States withdrawal from Indochina represented an outward thrust of Soviet military power that deeply disturbed Washington, as did the Soviet-Vietnamese alliance after 1975. The prospect of military cooperation between the two communist superpowers in concert against the United States caused anxiety for American security planners until 1972, by which time the Sino-Soviet rift had allowed the United States to align itself tacitly with Beijing against Moscow.

But it was the specter of international communism that preoccupied American foreign policy after World War II. The ideological challenge of international communism, using surrogates in Vietnam, Laos, and Cambodia and domestic insurgencies against the governments of the newly independent countries of Southeast Asia, was seen as a direct threat to American interests in Asia. Mao's victory in 1949, the Chinese intervention in North Korea in 1950, the French defeat at Dien Bien Phu in 1954, and the Tet offensive in 1968 were the signposts of communism's march in Asia. The "domino theory," which predicted the sequential collapse of friendly governments, was an article of faith for American strategic planners, who saw Indonesia and India as the ultimate dominoes in line after mainland Southeast Asia had fallen to a Moscow-Beijing-Hanoi axis. Thus throughout the presidencies of Eisenhower, Kennedy, and Johnson, Vietnam became "our Asian Berlin."

The ideological battles of the cold war are now history. The collapse of the Soviet Union doomed Vietnam's pretensions to an Indochina Federation and forced it to accept a political compromise in Cambodia. Today Vietnam is no longer the pariah of Southeast Asia but its commercial darling. China has long since gotten out of the revolution game in the Philippines and Indonesia; in the 1970s it abandoned support for communist insurgencies in Thailand and Malaysia. Vietnam remains Leninist but neither its political views nor its military forces threaten its neighbors. Marxist economic theory is bankrupt. While China and North Korea are no longer a menace to the region in terms of their ideology, their military capabilities remain formidable.

Ideas, whether politically, religiously, or ethnically inspired, still have plenty of explosive power. The search for a "unifying concept" seems to be a universal national preoccupation, and the United States is no

exception. Criticized for not having a coherent post-cold war foreign policy, the Clinton administration has tried its hand at devising an ideology of sorts in the form of a national security strategy that has set forth the principles of "engagement and enlargement." These doctrines envisage a military establishment capable of fighting and winning two simultaneous regional conflicts; economic policies designed to stimulate global economic growth and free trade; and the protection, consolidation, and enlargement of the "community of free market democracies."¹

Though there is little new about the military aspects of this doctrine, the "enlargement" thesis, which embraces human rights, democratization, and the free market as its principles, has been controversial in Southeast Asia. Malaysia and Singapore (and of course Vietnam) see enlargement as an attempt to impose the American interpretation of democracy and human rights on Asian societies. The debate over "Western values" has taken on a political cast, partly because of actions taken by the Clinton administration and

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Congress regarding issues such as labor conditions in Indonesia, human rights violations in East Timor, media restrictions in Singapore and Indonesia, and the punishment by flogging of an American teenager in Singapore. This relatively mild expression of American "ideology" in the realm of human rights and democratization has stirred a strong reaction partly because several governments in the region resent, correctly, any hint of dictation from the United States and partly because these governments feel genuinely threatened by the

forces to which "enlargement" may appeal. Yet in Thailand, United States condemnation of the May 1992 suppression of the democracy movement by General Suchinda Kraprayoon was welcomed by many Thai politicians, as was subsequent firm United States support for the government of Prime Minister Anand Panyarachun that replaced the military junta. Intervention, it seems, is not always unwelcome.

SUPERPOWER POLITICS

With international communism dead, the resurgence of classic nationalism is nowhere more evident than in the People's Republic of China. In 1995, China's ultimate intentions are of primary interest to the United States and the nations of Southeast Asia. China is indeed the Middle Kingdom of the Asian landmass, boasting 1.2 billion people and a proud, 5,000-year history. A great power in every sense of the word, China is more than a nation: it is a civilization with ethnic links to all the countries of Southeast Asia and a cultural force that commands respect and fear from its neighbors. By the year 2020, China will have the world's largest economy; its economic power is

¹A *National Security Strategy of Engagement and Enlargement* (Washington, D.C.: The White House, July 1994).

already shaping regional politics. It will also have a modern air force and navy capable of projecting force well beyond its borders.

The United States is no longer the guardian of Southeast Asia, whose states in the 1950s were newly independent and weak, but it does have a unique regional role as the world's most powerful nation economically and militarily. This fact is readily admitted by all responsible politicians in Southeast Asia, including the former Indochina states and critics of United States "enlargement" rhetoric. Remarkably, the United States has no enemies in Southeast Asia and, for the first time in a century, it does not have any formal military bases in the region. ("Places not bases" is the Pentagon's term of art, meaning lightly manned facilities for repairs and transit to the Middle East rather than Clark and Subic Bay arrangements.) Compared with China and Japan, the United States does not appear to have nefarious designs on the region; American businessmen are considered to be traders and investors interested in a fair profit rather than exploitation. Perhaps most important, the United States is geographically very far away—yet the Seventh Fleet is "just over the horizon," a reassuring presence.

Southeast Asians are, however, doubtful about the health of American society and are also disconcerted by the wobbly nature of certain American policies. There is no easy way for the United States to address such doubts and criticisms except through constant dialogue. It is imperative that the United States communicate clearly to its ASEAN friends its policies toward China and how these policies are evolving. The ASEAN states question the unpredictable, seemingly irrational, twists of American policy, as in Taiwanese President Lee Teng-hui's "unofficial visit" to Cornell University this spring. ASEAN has also been concerned that the United States has not taken a consistent and firm stand on Chinese actions in the South China Sea. The United States has said publicly that it takes no position on the legal merits of the competing claims to sovereignty over the various small islands and atolls in the South China Sea, but would "view with serious concern any maritime claim, or restriction on maritime activity, in the South China Sea that was not consistent with international law, including the 1982 UN Conventions on the Law of the Sea." It has endorsed the 1992 ASEAN declaration on the South China Sea and offered "to assist [diplomatically] in any way the claimants deem helpful."² The effort to convince ASEAN of the American commitment to consult on China must be a centerpiece of United States policy toward Southeast Asia. The dichotomy of containing versus engaging China is a delicate matter that will never be completely resolved

since both courses of action are relevant to the unsettled situation in China.

VIETNAM: OPPORTUNITY KNOCKS

Vietnam will never again be near the center of American foreign policy, nor should it be. Nevertheless, the United States has clear economic, political, and strategic interests in Vietnam. That country's integration into the socioeconomic fabric of Southeast Asia represents an extraordinary opportunity to inaugurate a genuinely fresh era in relations between the United States and the region.

On July 11, 1995, President Bill Clinton announced the establishment of diplomatic relations between the United States and the Socialist Republic of Vietnam. The relationship remains far from "normal," but the president's decision was an essential step in order to allow for better bilateral cooperation and close a painful chapter in American history. The United States embargo on economic and trade relations with Vietnam had been lifted in February 1994 and the establishment of "liaison offices" in Hanoi and Washington was subsequently approved. It took until this July—another 18 months—to go all the way because American politicians, skittish about confronting the only war the United States has lost, viewed normalization not as foreign policy but as a domestic political issue. Clinton, who had declined military service during the Vietnam War, believed that recognition would gain few votes but could lose many. Inevitably, the timing of recognition reflected a judgment of political risk in the November 1996 presidential election.

With diplomatic relations between the United States and Vietnam finally established, five prominent policy issues have surfaced: economic relations (namely the granting of nondiscriminatory most favored nation trade status); satisfactory resolution of the fate of Americans believed to be held captive or listed as missing in Southeast Asia (POWs and MIAs); Vietnam's attitude toward human rights; the Vietnamese Communist Party's attitude toward political change; and Vietnam's role in the strategic equations of continental Southeast Asia and the South China Sea.

Even before normalization, the United States had dealt with Vietnamese authorities routinely on a range of issues and, in practice, had more contact with the Hanoi government than with many other states with which it enjoyed "normal" relations. The United States obtained privileges and freedom of ground and air movement for POW and MIA search operations (including the stationing of American military personnel in Hanoi and access to government archives) that were, and remain, highly permissive. POW and MIA operations have pumped millions of dollars directly into Vietnam's economy through helicopter rentals, wages for Vietnamese workers, excavation rights, and other support functions. With normalization, the joint searches and

²Statement by Christine Shelly, acting spokesperson of the United States State Department, Washington, D.C., May 10, 1995.

cooperative measures will continue until the United States is satisfied that the "fullest possible accounting"—however that is eventually defined—has been made. It is apparent that normalization helps rather than slows down this effort.

The pace of commerce has picked up across the board. In the year since the lifting of the embargo, trade and investment by American private business have taken off steadily, if not dramatically. Two-way trade in 1994 totaled \$222 million, with the United States realizing a 4:1 advantage because of aircraft and agribusiness sales. Trade in the first half of 1995 was \$181 million and could top \$400 million by the end of the year. American companies are among the top 10 investors in Vietnam in part because of the petroleum sector's expanding operations. Many Fortune 500 companies, including three banks, have opened offices in Vietnam and, as expected, American companies have been especially active in aircraft, energy, tourist, communications, and information-processing ventures. Although the Vietnamese market is small compared to the Chinese market, American corporations see Vietnam's 73 million people, industrious workforce, and rapid growth rate (9 percent in 1994) as an attractive new addition to Southeast Asia's thriving economic environment.

During the cold war it was argued that by normalizing relations, the United States might cut into the Soviet Union's strategic relationship with Vietnam, which had flowered after 1975. The Soviet Pacific Fleet seemed to be in competition with the United States Seventh Fleet for control of the Pacific. By 1978, the Soviet-Vietnamese security relationship was a potential threat to Southeast Asia, as demonstrated by heavy Soviet investment in Vietnam's Cambodia operation. Thus it was in the United States interest to have a weak, confined Vietnam.

With the collapse of the Soviet Union, this cold war argument is no longer relevant. China, a much more durable strategic player, is now the power to be reckoned with in Southeast Asia. China's long-term intentions are unclear but, as noted, suspect, particularly regarding the South China Sea, where China's sovereignty claims directly conflict with those of the Philippines, Malaysia, Brunei, Vietnam, and perhaps Indonesia. Vietnam, however, is now a member of the ASEAN Regional Forum (ARF). Moreover, while America's paramount interest is in building a sound relation-

ship with China, building a parallel relationship with Vietnam on security matters is also a prudent course. Having been invaded many times by the Middle Kingdom over the past 2,000 years, the Vietnamese are painfully aware of their China problem. The uncertainty of China's leadership transition makes it all the more important for the United States to develop a dialogue on regional issues both within ARF and with Vietnam bilaterally.

The normalization of relations with Vietnam is also the best way to facilitate the social change in Vietnam that the United States advocates globally: wider political representation of different interests, respect for human rights, market economics, and civil freedoms. For example, it is doubtful that Vietnam can achieve genuine economic improvements in the absence of greater political openness. The Vietnamese Communist

Party, at least in its present form, may no longer enjoy the "mandate of heaven" in the eyes of the Vietnamese people. The lifting of the United States embargo, the infusion of capital from international financial institutions, and the inflow of aid from bilateral economic assistance programs from Japan and other international donors have already had a major impact.

Over the longer term, as Vietnam's society modernizes, receives information, and joins the outside world, the fears of the Leninists will prove to be well founded: political and economic change cannot be separated. The erosion of ideology by science, education, cultural exchanges, and the marketplace will make "peaceful evolution" in Vietnam inevitable, leading initially to a softer authoritarianism and later to a more sophisticated participatory government. One clear indicator of social change already under way is the training of hun-

dreds of Vietnamese officials in American, Australian, and European educational institutions. An important part of this process is the attitude of the Vietnamese-American community, which constitutes about one-half the "Viet kieu" (overseas Vietnamese) of 2 million people.

Vietnam will move at its own pace away from the Leninist system toward a uniquely Vietnamese version of what Robert Scalapino calls "authoritarian pluralism," an amalgam of socialism and free market economics kept in place by a structured political system that only gradually admits the existence of more than one party.³ The United States would be well advised to emphasize "engagement" rather than "enlargement." It should not demand acceptance of an American perspective on human and civil rights as a precondition

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³Robert Scalapino, *The Last Leninists: The Uncertain Future of Asia's Communist States* (Washington, D.C.: Center for Strategic and International Studies, 1992).

for further movement in the relationship; this could retard the progress of the very values and institutions it favors. History has shown that the Vietnamese are endowed with a strong spirit of independence. Over time they should be capable of designing their own political system. Given the country's tortured history, this can only be a complex, lengthy process.

The future development of the United States–Vietnam relationship will thus be played out on a field where American objectives (resolution of the POW/MIA issue, growth in commerce, adherence to international human rights standards, a strong strategic dimension) are balanced against Vietnamese objectives (full commercial access for Vietnamese exports, private American investment, oblique strategic leverage toward China). Vietnam is no longer a war: it is an impoverished yet dynamic country. Over the next generation Vietnam will be plugged into the ASEAN economic grid and have a real chance to become another Asian economic tiger. With the cold war over, it is in the American national interest to see a strong Vietnam, one that is economically prosperous and a contributor to the peace and stability of Asia and the Pacific.

SOUTHEAST ASIA'S SENIOR PARTNER?

Can Southeast Asia count on the United States in the geopolitical and economic crunches that are sure to come in the next century? There are obvious differences in opinion between some Southeast Asian nations and the United States with regard to human rights and democratization. These differences should be discussed openly but must not be permitted to disrupt basic common interests in security cooperation and the growth of economic and commercial relations. The United States should state its position on human rights and point out that an enlightened electorate and participatory—as opposed to exclusionary—governance are fundamental to stability.

Here one Southeast Asian nation, the Philippines, and the United States are squarely of one mind. As with Vietnam, it would be inimical to America's national interests in Southeast Asia generally to make acceptance of American-style values and institutions the precondition for good relations. So far there have been diplomatic tiffs over these issues but relatively lit-

tle disruption. Singapore remains a stalwart supporter of a strong American military presence in the region and Malaysia—where the United States is the single largest foreign investor—still enthusiastically welcomes American business even as Prime Minister Mahathir Mohammad blasts American “hegemonism.” To date, the relationships with Thailand and Indonesia have been kept on an even keel through prudent diplomacy and pragmatism. The United States and Southeast Asia have far more interests in common than causes for disagreement.

Of all the developing areas of the world, Southeast Asia has brought the positive aspects of regionalism to their finest point: the scheme to develop the Mekong River Basin, the ASEAN Free Trade Area (AFTA), the thick web of consultations within ASEAN (300 subcabinet meetings annually), and the growing security understandings within ARF are but a few examples. American policy should search for ways to strengthen the presence of the United States in regional multilateral forums without implying a desire to dominate. Equally important is maintaining and strengthening traditional bilateral political and security ties with Thailand, Indonesia, and the Philippines. The United States also needs to support American business activities, promote trade and investment, and protect intellectual property rights, but it should use threats of trade sanctions sparingly. Above all, the United States, by acting with political sensitivity, must confirm its position as a reliable great power that will remain fully engaged in Southeast Asia over the long haul.

It will be difficult to promote meaningful American “engagement” in Southeast Asia against the tide of neoisolationism and hostility found in Congress and among much of the American public. The slashing of American contributions to the Asian Development Bank and UN peacekeeping activities, the campaign to reduce funding for the United States Agency for International Development, the closing of small foreign service posts in the region, and the general assault on the Department of State, are trends that bespeak a “know-nothing” sentiment that can damage America's stature in the region by supporting the notion, however erroneous, that the United States is no longer a power to be taken seriously in the post-cold war world. ■

"Every aspect of the revised rationale for the United States intervention in Vietnam is contrary to historical fact: Southeast Asia was not threatened by communist insurgency, and the decade was not 'bought' for the region's states by the United States military but by the combination of Japanese capital and changes in the ASEAN states' own economic policies."

"Dominos," Dynamos, and the Vietnam War

GARETH PORTER

Twenty years after the Vietnam War ended, the United States has finally normalized relations with its former Vietnamese enemy. This year has also seen Vietnam become the seventh member of the Association of Southeast Asian Nations (ASEAN), the organization that once united the Southeast Asian non-communist "dominos." These two events underscore an important fact: that the official rationale for the Vietnam War—that Southeast Asia would slip into the communist orbit if the United States did not prevail in Vietnam—has not held up in the light of history.

But a new ex post facto argument for the war has emerged from the ashes of that original rationale: that the United States military intervention bought Southeast Asia a decade in which it could consolidate its internal security and establish the foundation for the rapid economic growth that followed. This rationale was first advanced a decade ago by Henry Kissinger, President Richard Nixon's national security adviser. "America failed in Vietnam," he wrote in the April 8, 1985, issue of the *International Herald Tribune*, "but it gave the other nations of Southeast Asia time to deal with their insurrections."

The most elaborate version of this argument portrays Southeast Asia in the early 1960s as "extraordinarily vulnerable" to armed communist insurgencies and subversive movements that were receiving political and material support from Beijing. It asserts that communist guerrillas were growing in strength in northeast Thailand, Burma, and the Philippines at the same time that

Malaysia faced a lingering communist guerrilla movement deep in its jungles; that communists were fighting to control Singapore and threatening the much larger prize of the Malaysian Federation until Singapore was expelled in 1965 for fear of a communist takeover there; that Laotian communist insurgents were poised to take power; and that neutral Cambodia was already accommodating communism in Indochina.

According to this argument, communist control of Vietnam in the mid-1960s would have quickly led to a communist-dominated Cambodia and Singapore, growing insurgencies in Thailand and Malaysia that would have threatened their economic and political development, and a civil war between communists and anticommunists in Indonesia. But, the argument concludes, thanks to the American military commitment to Vietnam, by 1975 noncommunist Southeast Asia was instead enjoying rapid economic growth and political stability.¹

This revised rationale for the Vietnam War tries to turn the noncommunist ASEAN states' economic success into an argument for the war instead of an argument against it. But its sketch of Southeast Asia in the early 1960s bears no relation to historical reality. Southeast Asia was not under threat from communist movements; moreover, the United States intervention did nothing to strengthen Vietnam's neighbors and actually destabilized two of them. And, in the end, the United States war in Vietnam was totally irrelevant to the socioeconomic and political evolution of the region in the late twentieth century.

HIGH OR LOW TIDE?

The idea that communist movements in Southeast Asia were a formidable threat to the region's noncommunist regimes in the years before the United States intervened in Indochina goes well beyond anything ever claimed by the Johnson administration at the time. The reason the argument was not made then is

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¹See Marvin Ott, "Our Belated Victory in Vietnam," *The Washington Post*, April 24, 1994, p. C4; and Ott, "A War Misconceived, But Not Pointless," *The Los Angeles Times*, April 23, 1995, p. M5.

that there was no evidence for it: far from being poised to launch successful armed struggles in the early 1960s, Southeast Asian communist movements (apart from those in Vietnam and Laos) were unable to pose a credible threat to the security of noncommunist regimes. They had reached their high tides as armed insurgencies in the late 1940s and early 1950s and had shrunk to military insignificance (Burma, the Philippines, and Malaysia), or were committed to parliamentary politics (Indonesia, Singapore, and Cambodia), or were too small and insignificant to adopt either parliamentary or armed resistance as a strategy (Thailand).

Thailand is cited by defenders of the war as the most important potential domino under communist pressure. But, as a 1962 United States intelligence estimate noted, there was "no widespread indigenous communist movement" in the early 1960s.² Although there were violent incidents involving other dissident groups in the northeast in the early 1960s, none were attributable to the tiny Communist Party of Thailand (CPT).³

Communist insurgent forces in Southeast Asia that had seriously challenged indigenous or colonial regimes in the first few years after World War II had ebbed by the 1960s. In Burma, the Philippines, and Malaya there had been a total of 50,000 armed insurgents in the field by the early 1950s; by the mid-1960s their numbers had dwindled to about 1,500.

In Burma, the Communist Party, which had fielded between 15,000 and 25,000 armed men a decade earlier, had been reduced to about 1,000 guerrillas. Far from building up their military strength for a future offensive, the communists had shifted to a strategy of peace negotiations with the Burmese government and had embraced the "parliamentary road."⁴ In the Philip-

pines, the Huk movement had been eliminated as a political and military force. It had shrunk from 13,000 fighters in 1950 to just 75 diehards, who were primarily concerned with personal survival by 1965.⁵ And in Malaya the communist insurgents, who had numbered between 10,000 and 12,000 at the height of the emergency in 1951, had been defeated; the emergency officially ended in July 1960 after all but 500 insurgents had given up.

The Indonesian Communist Party (PKI) was by far the largest party in noncommunist Southeast Asia, claiming more than 2 million members. But the PKI, lacking military organization and access to arms, had no assets for armed struggle and its strategy throughout the 1950s and early 1960s was focused on success in parliamentary elections. It was precisely because the communist movement was so vulnerable that the anti-communist Indonesian military was able to crush it so swiftly in 1965.

The Cambodian communists, with an estimated 1,000 members, were engaged in a modestly successful parliamentary struggle in the early 1960s, despite having suffered severe repression at the hands of Chief of State Prince Norodom Sihanouk. Pol Pot and his group of ultraleftist Cambodian communists, who won control of the party leadership in mid-1963, called for organizing the peasantry for eventual armed struggle, but there was still no hint of any armed activity when the United States sent ground troops to Vietnam in 1965.⁶

The communists in Singapore were also engaged in electoral politics. They constituted the strongest component of Lee Kuan Yew's ruling People's Action Party until they left the party in 1961 over the issue of Singapore's joining Malaysia. Contrary to the revisionist account, there was no apocalyptic battle between communists and anticommunists in Singapore. The communists won 25 percent of the seats in the 1963 parliamentary election, but simply faded from the scene after that. And Singapore was expelled from the Malaysian Federation because of economic and ethnic tensions, not because of a communist threat to Singapore.⁷

In Laos the communist-led Pathet Lao (PL) had given up on its parliamentary strategy in 1960 after the Laotian right wing, encouraged by the United States, had renounced a coalition agreement, excluded PL figures from the government, and finally assumed emergency powers and arrested PL leaders.⁸ But the strategic aim of the Pathet Lao and its North Vietnamese sponsors was not to seize power but to maintain the security of the mountainous eastern zone of the country through which ran North Vietnamese supply routes to South Vietnam.

The only serious source of instability in Southeast Asia during this period came from Indonesia's threat to "crush" the newly formed Federation of Malaysia beginning in 1963. And that threat, as will be shown, could not be addressed by United States military intervention

²Special National Intelligence Estimate No. 10-62, "Communist Objectives, Capabilities and Intentions in Southeast Asia," February 21, 1962, in Gareth Porter, ed., *Vietnam: The Definitive Documentation of Human Decisions*, vol. 1 (Stanfordville, N.Y.: Coleman, 1979), p. 154.

³Melvin Gurtov, *China and Southeast Asia—The Politics of Survival* (Baltimore: Johns Hopkins University Press, 1971), p. 10.

⁴See Gurtov, op. cit., p. 93.

⁵On the Philippines and Malaysia, see Eduardo Lachica, *Huk: Philippine Agrarian Society in Revolt* (Manila: Solidarity, 1971), p. 137; and J. Norman Parmer, "Malaysia," in George McT. Kahin, ed., *Governments and Politics of Southeast Asia*, second edition (Ithaca: Cornell University Press, 1964), pp. 293, 301.

⁶Ben Kiernan, *How Pol Pot Came to Power* (London: Verso, 1985), pp. 188-221.

⁷Pang Cheng Lian, *Singapore's People's Action Party* (Singapore: Oxford University Press, 1971), pp. 1-22, 80; R. S. Milne, *Government and Politics in Malaysia* (Boston: Houghton Mifflin, 1967), pp. 211-219.

⁸Charles Stevenson, *The End of Nowhere* (Boston: Beacon Press, 1972), pp. 33-49; Hugh Toye, *Laos: Buffer State or Battleground* (London: Oxford University Press, 1968), pp. 104-170; Arthur J. Dommen, *Conflict in Laos* (New York: Praeger, 1971), pp. 94-152.

in Vietnam because there was no strategic link between the two issues: the Indonesia-Malaysia problem could be solved only by political forces in Indonesia itself.

WAS CHINA INCITING ARMED INSURGENCIES?

The United States had no objective reason, therefore, to fear a wave of armed insurgencies in Southeast Asia. But was communist China encouraging and supporting armed insurgency throughout Southeast Asia, as claimed by the revised apologia for the war? The historical record on this issue is clear: China actually sought to restrain communist movements from launching armed struggles where they were proposing to abandon a peaceful line and to persuade them to negotiate peace with noncommunist regimes where they were already in armed resistance.

We now know that China did not support the resumption of armed struggle by the Vietnamese communists in 1959–1960. Instead, China urged them to lie low in South Vietnam for an indefinite period, even though the United States–supported regime was killing and imprisoning communist cadres by the thousands.⁹ Similarly, in Laos, China counseled continuing a peaceful line when the anticommunist royalist government defied a coalition government agreement, arrested Pathet Lao officials, and tried to encircle and capture two Pathet Lao battalions in 1959.¹⁰

China not only strongly supported the neutralization of Laos through an international conference in 1962, but privately proposed to the three Laotian factions a partition of the country that would have frustrated Hanoi's war effort in South Vietnam. A Vietnamese diplomat has revealed that the Chinese proposed to divide Laos into three zones—a northern zone under

the Pathet Lao, a central zone under the neutralists, and a southern zone under the anticommunist, pro–United States forces—instead of an east-west division reflecting the existing lines of control. Moreover, the north-south tripartite division of Laos would have made it more difficult for the North Vietnamese to maintain their supply lines to the south in support of the Vietcong.¹¹

While Cambodia's Prince Sihanouk accommodated China and North Vietnam and opposed United States policy in Vietnam in the early 1960s, neither China nor North Vietnam viewed Cambodia as a target for communist subversion. They believed their interests were best served if the anticommunist Sihanouk regime remained in power. Both China and North Vietnam advised the Cambodian communists against opposing Sihanouk, much less pursuing armed resistance to his regime, despite his repression of communists domestically.¹²

When the Burmese communists had represented an acute threat to the government in the early 1950s, China had urged them to adopt a moderate policy, and the Burmese government never found evidence that China had provided weapons or other material support to the Burmese communists across the 1,000-mile Sino-Burmese border.¹³ In the early 1960s, China openly called on the Communist Party of Burma to “bury its weapons” and cooperate with the Ne Win government, which had been successfully suppressing the insurgents. When a new group gained control of the Burmese Communist Party in 1964 and called for a renewal of armed struggle, China did nothing to support the militant line.¹⁴

The government of Thailand was identified closely with United States policies in Indochina by the beginning of the 1960s, and the Communist Party of Thailand had secretly decided in 1961 to lay the groundwork for eventual armed struggle. But China still did not identify the Thai military regime as an enemy slated for revolutionary overthrow, and did nothing to promote such a struggle.¹⁵

Despite its overall militant revolutionary line, Chinese policy toward Southeast Asia in the early 1960s was not aimed at overthrowing its noncommunist neighbors. China was eager to avoid military intervention on its southern flank and had no desire to threaten good relations with neighboring states by encouraging armed struggle by indigenous communists. Nor was Beijing especially interested in seeing Vietnam reunified under a strong revolutionary state or a communist Laos strongly influenced by Vietnam.

UNITED STATES INTERVENTION: A STABILIZING OR DESTABILIZING FORCE?

The revisionist argument for the war suggests that the American military intervention helped stabilize the region during the 10 years of war. But the intervention did not contribute to the stability of a single noncom-

⁹*The Anti-United States Resistance War for National Salvation, 1954-75: Military Events* (Hanoi: 1981), translated by the Joint Publications Research Service (Washington, D.C.: JPRS 80968, June 3, 1982), p. 20.

¹⁰A. M. Halpern and H. B. Friedman, *Communist Strategy in Laos* (Santa Monica, Calif.: Rand Corporation, 1960), pp. 38-48.

¹¹Author interview with Ha Van Lau, head of Vietnam's delegation to the Geneva conference, Hanoi, June 26, 1984.

¹²Peter Van Ness, *Revolution and Chinese Foreign Policy: Peking's Support for Wars of National Liberation* (Berkeley: University of California Press, 1970), p. 57; Gareth Porter, “Vietnamese Communist Policy toward Kampuchea, 1930-1970,” in David P. Chandler and Ben Kiernan, eds., *Revolution and Its Aftermath in Kampuchea: Eight Essays* (New Haven: Yale University Southeast Asia Studies, 1983), pp. 74-76.

¹³Jay Taylor, *China and Southeast Asia: Peking's Relations with Revolutionary Movements* (New York: Praeger, 1976), pp. 195-196; George McT. Kahin and John W. Lewis, *The United States in Vietnam*, revised edition (New York: Dell, 1969), p. 275.

¹⁴Taylor, op. cit., pp. 195-203; Gurtov, op. cit., pp. 102-103.

¹⁵Gurtov, op. cit., pp. 11-12.

munist government in Southeast Asia and, in Thailand and Cambodia, the Vietnam War was a key factor in causing weak communist movements to grow into powerful political-military forces.

The assertion made by the war's defenders, that the United States troop commitment in Vietnam "indirectly took the leftist pressure off Thailand," is the opposite of the truth.¹⁶ There was no Thai communist insurgency until 1965. It was the United States military buildup—which began in 1964 in Thailand in preparation for a bigger war in Vietnam and Laos—that provoked Beijing and Hanoi to throw their support behind a Thai insurgency for the first time.

After the August 1964 Gulf of Tonkin incident and the first United States bombing of North Vietnam, China and North Vietnam apparently concluded that Thai bases would be used to bomb North Vietnam. Sometime in the latter half of 1964, they decided to support an armed insurgency in Thailand. The result was the announcement in January 1965 of a Thai united front aimed at building support for an armed Thai revolutionary movement. The first clash between insurgents and government forces followed in August 1965.¹⁷

At first the Thai insurgency had only between 200 and 300 men in northeast Thailand, but by 1976 it had grown to more than 9,000. After the bloody suppression of the pro-democracy student movement by the Thai military in 1976, thousands of students fled to the jungles to join the insurgency. By the late 1970s, the number of guerrillas was officially estimated at 12,000 to 14,000.¹⁸ The insurgency began to disintegrate only in the early 1980s, after China and Vietnam had cut off material support for the insurgents in order to compete for political favor with the Thai government, and after important bases in Pol Pot's Cambodia had been lost.

Although it is impossible to know how Cambodia might have evolved in the absence of United States military involvement in Indochina, it is clear that the

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spillover from the escalation of the war created conditions that led to the ultimate victory of the Cambodian communists. All the major barriers to a successful communist revolution in Cambodia—the relative stability of the economy and society, Prince Norodom Sihanouk's legitimacy in the eyes of the peasant majority (who viewed him as a *devaraja*, or god-king), and the support of the communist states for Sihanouk rather than the Cambodian communist movement—were destroyed between 1965 and 1975 as a result of the massive United States intervention in the Vietnam War and its impact on Cambodia.

United States airpower—especially bombing by B-52s—and ground operations against Vietcong base areas in South Vietnam precipitated a major movement of Vietcong troops across the border into Cambodia, where they built new bases that became vital to the communist war effort in Vietnam. This massive buildup of Vietcong troops inside Cambodia destabi-

lized the country's economy: an estimated 40 percent of Cambodia's rice exports were smuggled secretly to the Vietcong, with the collusion of high-ranking Sihanouk government officials. To make up for the loss of hard currency and tax revenues, the Cambodian government began in 1967 to use military units to attempt to collect paddy rice from farmers at prices one-third below those paid by the Vietnamese. Peasant resentment at this exploitation in turn prompted the Cambodian communists, or Khmer Rouge, to launch their first significant armed uprising that same year, when they attacked

government military units collecting rice.¹⁹

The growing economic impact of the Vietcong presence, along with the threat of domestic insurgency—mistakenly viewed by Cambodians as linked with Hanoi—also provoked increased urban middle-class dissatisfaction with Sihanouk in the late 1960s. The prince's right-wing opponents skillfully used the Vietcong troop issue against him in a plan that culminated in his overthrow by a pro-United States regime while he was abroad in 1970. That coup precipitated a fundamental political realignment: both Sihanouk and the North Vietnamese entered into an alliance with the Cambodian communists against the United States-supported regime of Lon Nol, providing the communists with legitimacy and logistical support. Indiscriminate United States and Lon Nol government bombing of the Cambodian countryside contributed to the disintegration of traditional rural society and intensified popular opposition to the new regime. Swept along by these converging forces, the communist guerrillas increased from an estimated 2,400 to 4,000 (few of whom had modern weapons) in 1970 to some 50,000 well-armed

¹⁶"Why the Dominos Fell," *Newsweek*, April 15, 1985, p. 62.

¹⁷Stevenson, op. cit., p. 204; Taylor, op. cit., p. 291; George K. Tanham, *Trial in Thailand* (New York: Crane, Russak, 1976), p. 63; Daniel Lovelace, *China and "People's War" in Thailand, 1964-1969* (Berkeley: Center for Chinese Studies, University of California, 1971), p. 78.

¹⁸Gurtov, op. cit., p. 27; John L. S. Girling, *Thailand: Society and Politics* (Ithaca, N.Y.: Cornell University Press, 1981), p. 257.

¹⁹Remy Prudhomme, *L'Economie du Cambodge* (Paris: Presses Universitaires de France, 1969), pp. 76-77; Ben Kierman, *Peasants and Politics in Kampuchea* (London: Zed Press, 1982), p. 169.

men poised to go on the offensive by the end of 1972.²⁰

In Laos the Pathet Lao was already a well-established political-military force when the United States began its heavy military involvement in Indochina and might well have been able to take power even in the absence of a major conflict. But the Vietnam War, in tandem with the war in Laos that began in 1964 at the initiative of the United States, probably accelerated the process of bringing the Pathet Lao to power.

Intense American bombing of the Ho Chi Minh Trail in Laos caused North Vietnam to move its supply routes (originally confined to a very narrow corridor on the far eastern edge of the mountains that separate Laos from Vietnam) much farther west into more populated areas previously controlled by the anticommunists. Because of United States-sponsored military escalation in Laos and the need to protect its trail network, the North Vietnamese military presence in Laos increased from a few thousand at the time of the 1962 coalition agreement to as many as 67,000 by the early 1970s; these troops also moved farther west, widening the zone controlled by the Pathet Lao. Meanwhile, the PL increased its military force from less than 20,000 men in 1963 to 50,000 by 1970 and expanded party membership accordingly.²¹ Had the wars in Vietnam and Laos not been Americanized it is likely that the PL would not have been ready to make such a bid for many more years, if at all.

SOUTHEAST ASIA'S ECONOMIC SUCCESS

The idea that the United States war in Vietnam somehow influenced the politics and economic prospects of the ASEAN states, thus "buying" them a

decade, is not entirely new. The Johnson administration claimed that the American military commitment to Vietnam had emboldened the Indonesian army to strike against the PKI in 1965-1966, killing nearly half a million supporters, suspected party members, and sympathizers and ousting the Sukarno regime. But this cataclysmic shift in Indonesian politics occurred independent of the United States military buildup in Vietnam. The Indonesian military continued to oppose the United States role in Vietnam even while the massacre of communists was going on. And after the military seized power, Indonesia did not withdraw its recognition of North Vietnam and continued to allow the communist-dominated South Vietnamese National Liberation Front to maintain an office in Jakarta.²²

Did Thailand, Malaysia, and Singapore develop more rapidly, as some have argued, because the war brought United States bases, free-spending GIs, businessmen, and a flood of United States and Japanese investments to the region? United States military spending in Thailand was a temporary stimulus to the Thai economy in the mid- and late 1960s, but it backfired in the late 1960s and early 1970s when the United States began to withdraw troops from Vietnam and reduced military spending in Thailand from 4.5 percent of its GDP in 1968 to 2.8 percent in 1971. Thai economic growth slowed dramatically in those years, with the country suffering large trade deficits and inflation.²³ Between 1965 and 1975 as a whole, however, Thailand, Singapore, Malaysia, and Indonesia established the bases for rapid economic growth by diversifying their economies, attracting foreign investment, and shifting from import-substitution industrialization to export-oriented industrialization. (The Philippines, on the other hand, squandered the decade by resisting economic liberalization and going deeply into debt.)

The key to this new movement toward export-led development in Southeast Asia was the beginning of a massive flow of foreign direct investment—not from the United States, but from Japan. In 1966, Japanese investment in the ASEAN countries was only \$166 million, which was less than one-fourth the value of United States investment in the region. A decade later, Japanese investment had reached \$4 billion—one-third larger than American investment. In Malaysia and Thailand it was twice as large as United States investment.²⁴ Most of the new investment in these countries was in labor-intensive manufactured goods, which sharply increased the share of manufactured goods in each country's exports and facilitated the transition from import-substitution to export-oriented development strategies.²⁵

This dramatic increase in Japanese investment in manufacturing in the ASEAN region did not reflect Japanese approval of the United States intervention in Vietnam. (The Japanese government had advised the United States in 1965 to cut its losses in Vietnam rather

²⁰Kiernan, *How Pol Pot Came to Power*, p. 284, 349-357.

²¹Fred Branfman, "Presidential War in Laos, 1964-1970," in Nina S. Adams and Alfred W. McCoy, eds., *Laos: War and Revolution*, (New York: Harper and Row, 1970), pp. 216, 247, 279; Joseph Zasloff, *Pathet Lao: Leadership and Organization* (Lexington, Mass.: Lexington Books, 1973), p. 70.

²²Kahin and Lewis, *ibid.* p. 309, fn. 31, p. 322; Harold Crouch, *The Army and Politics in Indonesia* (Ithaca, N.Y.: Cornell University Press, 1978), pp. 336-339.

²³Clark Neher, "Stability and Instability in Contemporary Thailand," *Asian Survey*, vol. 15, no. 12 (December 1975), p. 1078; Phisit Pakhasem, "Development Planning and Implementation in Thailand," in E. Lee Baldwin and W. David Maxwell, eds., *The Role of Foreign Financial Assistance to Thailand in the 1980s* (Lexington, Mass.: Lexington Books, 1975), p. 17.

²⁴Lawrence B. Krause, *United States Economic Policy toward the Association of Southeast Asian Nations: Meeting the Japanese Challenge* (Washington, D.C.: The Brookings Institution, 1982), p. 62.

²⁵Udo Janz, "Export-oriented Industrialization and ASEAN in the 1980s: Problems and Prospects for an Emulation of the East Asian 'Model,'" *East Asia: International Review of Economic, Political and Social Development* (Boulder, Colo.: Westview Press, 1987), vol. 4: *China-NICS-ASEAN: Competition or Cooperation?*, pp. 156-157.

than fight a prolonged war.)²⁶ Instead, it was the result of the convergence of several changes affecting Japanese foreign investment during the period: achieving a favorable balance of payments in the second half of the 1960s, which brought an easing of controls on overseas investment; higher wages, land prices, and growing pollution at home, which made investment in factories in Japan less attractive; the revaluation of the yen, which reduced the competitive advantage of exports from Japan; and the reduction of tariff and nontariff barriers on exports to Japan from developing countries.²⁷

A PERNICIOUS REWRITING OF HISTORY

Every aspect of the revised rationale for the United

²⁶George McT. Kahin, *Intervention: How America Became Involved in Vietnam*, (New York: Knopf, 1986), p. 375.

²⁷Kunio Yoshihara, *Japanese Investment in Southeast Asia* (Honolulu: The University Press of Hawaii, 1978), pp. 2-12.

States intervention in Vietnam is contrary to historical fact: Southeast Asia was not threatened by communist insurgency, and the decade was not "bought" for the region's states by the United States military but by the combination of Japanese capital and changes in the ASEAN states' own economic policies. The United States intervention in Vietnam led to the destabilization of Thailand; it also led to the destruction of noncommunist Cambodia and the tragic, four-year rule of Pol Pot's Khmer Rouge that followed. And the broader changes in Southeast Asia that have unfolded since 1965 have been driven by social, economic, and political forces within each of the region's countries that had nothing to do with the Vietnam War.

This attempt to rehabilitate the Vietnam War based on Southeast Asia's postwar economic success is both pernicious and futile. The war's history, as it has been reconstructed by many scholars over the years, is too clear and complete. ■

"Probably the main source of political change will not come from outside the ranks of the powerholders; it is a split within the political elite that is of much greater concern. Peasant dissatisfaction, resentment among those left behind by the reforms, and even the widespread alienation from Hanoi found in south Vietnam are problems for the regime, but not insurmountable ones. What the power elite seems to fear most is a fragmentation of the inner power structure."

Vietnam Faces the Future

DAVID W. P. ELLIOTT

Looking back over the past decade, it is clear that Vietnam in 1995 would have astounded both its leaders and its people in 1985. On the tenth anniversary of the fall of Saigon, the intransigence and inflexibility of Le Duc Tho, the purported leader of Hanoi's party conservatives at the time, was memorably revealed in television interviews broadcast to the United States. On the occasion of the twentieth anniversary of that event, the triumphalism has faded as Vietnam moves toward a challenging future without a clear roadmap. Party General Secretary Do Muoi told the Central Committee that it could rely on the ideological legacy of the past, and reminded committee members that Ho Chi Minh had stated that a "party without a doctrine is like a person without a brain or a ship without a compass." Whether the party faithful were reassured by this reminder is uncertain.

In contrast to 1985, the twentieth anniversary of Hanoi's victory was relatively low key, and pointedly avoided direct mention of the American defeat. As the May 1, 1995, London *Daily Telegraph* reported, "For the veterans watching, it was a time to remember their dead comrades. But as business booms, most Saigonese are more interested in making money than either celebrating or mourning the past. And in a sign of the new age, the stands at the Phu Tho Turf Club—closed from 1975 to 1989—were packed at the weekend for the biggest day in the Vietnamese racing calendar, the Golden Cup. The city's nouveau riche mingled with foreign businessmen and dignitaries during fashion shows in the VIP stand at an event sponsored by Martell. In a message directed to Washington, [Prime Minister Vo Van] Kiet

urged Vietnamese to 'shut out the past and look to the future to raise our national spirits.'"

EVALUATING THE CHANGES

It is easy to focus on the extent of reform within the economic sphere and overlook the darker side of an authoritarian regime whose repressiveness is mitigated mainly by its declining organizational efficiency, the flagging zeal of the enforcers, and the distractions and temptations of turning power into wealth. Even here the picture is complex. Vietnam's political system has become more open in some respects but continues to be repressive in others. In some areas pockets of breathing space from a smothering authoritarianism are emerging, while in other respects government repression is pervasive. Rewards for individual enterprise and initiative are far greater than ever before, but at the same time the social safety net for the disadvantaged is more precarious than it was even in previous times of great privation and hardship.

In the political and economic space that has opened up as a result of the *doi moi* (renovation) reforms following the historic change of direction in 1986, the opportunities thus provided for individual participation and advancement have not always been used wisely by those best positioned to take advantage of them. This raises the question that has been posed about the various attempts socialist regimes have made to combine a collectivist and authoritarian political system with a market economy: is a synthesis of the two different concepts and mechanisms of social, political, and economic organization that have dominated this century possible?

The specter of halfway reform combining the worst of the old and the new that hangs over Vietnam (and China) has not been entirely dissipated after nearly a decade of experimentation—even longer in China's case. Many of the dilemmas of development noted five years ago remain unresolved, and new conundrums have emerged in the process of reform.¹ A good illus-

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¹See David W. P. Elliott, "Dilemmas of Reform in Vietnam," in William S. Turley and Mark Selden, eds., *Reinventing Vietnamese Socialism* (Boulder, Colo.: Westview, 1993).

tration of the dilemmas inherent in systemic transition is the experience of foreign investors moving from an environment where political patronage was the key to success to a situation where patronage had been undercut by a proliferation of laws and regulations, but not replaced by a reliable legal system. When the first book of foreign investment laws was published in February 1992, "only about 80 items of legislation were relevant to foreign investment. The approach of investors to the partial legal vacuum was to be ready to rely on 'political' remedies, a strategy that has worked in most cases in a manner consistent with the encouragement of legitimate investment. This year, however, has seen the nature of risk shift from that associated with a partial legal vacuum to the multiple risks associated with laws that contradict other laws, laws that are enacted but not enforced, and laws that pass measures in apparent contradiction to the policy of Vietnam to create conditions that are favorable for foreign investment."² Thus the old system of finding highly placed Vietnamese "partners" to defend the interests of the foreign investor has often been stymied by laws that may neutralize the protection, but are not clear or authoritative enough to provide an adequate substitute.

This is also a metaphor for the entire political system, which is suspended between the old structure of party-state management and control of most sectors of the socioeconomic system and a more streamlined, less interventionist, but still commanding "strong state" on the pattern of the South Korean and Taiwanese "tigers." Again, the current pattern is still interventionist enough to provide an obstacle to economic development, as the party has acknowledged, but not effective enough to provide the guidance and coordination that would maximize efficiency. Dispersion of decision making and fragmentation of authority are evident, though the consequences lead in different directions. This situation can offer more room for reformers to maneuver, but can also lead to a dissipation of resources and a flow of activity toward the most immediately profitable projects or areas of least resistance.³

To some extent this is due to problems that are familiar in many developing societies. Corruption is estimated to add from 5 to 15 percent to the costs of projects involving foreign partners. Vietnam's pervasive and often capricious bureaucracy is a major source of complaint to foreign investors, who are themselves part

of the problem, and shady entrepreneurs from surrounding countries have shown that a high-risk environment attracts not only the bold but also the unscrupulous. Vietnam has attempted to curb the most flagrant "cowboy" investors. At the beginning of the year, Do Muoi told the Central Committee that "the bad practices of bureaucracy, officialism, and corruption exist among a large segment of cadres and workers in the party, state, and mass organizations. Cadres have been aloof from the people. They have adopted a haughty attitude towards the people and have therefore become revolutionary mandarins." The regime has ordered the removal of a string of million-dollar luxury villas illegally built along Hanoi's Yen Phu section of the Red River dike, because they violate what has been historically the most sacred trust of any Vietnamese leadership, flood control. Goaded into action by intense public criticism, the top leadership (some of whom were reportedly implicated in this affair) ordered the demolition. Despite the high economic stakes, the political and moral costs of ignoring public pressure would have been much greater.

BETWEEN OLD AND NEW

Although there have been major shifts in policy and organization, perhaps the biggest change that has taken place in Vietnam has been psychological. Among those who endured the unimaginable hardships of several decades of wartime deprivation, many now feel the time has come to reap their deferred rewards. Corruption is not simply a manifestation of the greed of those with political power. It is also an expression of resentment for the emerging, younger strata of society that has profited from new economic policies; they are perceived by an older generation as not being fully deserving of their good fortune—of not having paid their dues. Under the circumstances, it is not surprising that this new class must share its good fortune with those whom the reforms are leaving behind.

While some members of the older generation are relieved to have left behind the privations of the wartime period, and are often happy with the way the reforms have personally benefited them, there is a pervasive and deeply felt nostalgia for those difficult times. The unity, sacrifice, and purity of motives frequently and spontaneously come up in conversations (in north Vietnam, at least) that have a way of straying from the complicated present into the no doubt selectively remembered past.

Another example of the uneasy linkage between old politics and new reform is the recent collapse of a \$1.2 billion oil refinery project with France in central Vietnam. Prime Minister Vo Van Kiet, sensitive to the strong political influence of older revolutionaries from the impoverished central region, wants to direct more investment there, in part to consolidate the political base for the reforms that have disproportionately bene-

²*Australian Financial Review*, May 10, 1995.

³Investment "is dominated by three countries, Taiwan, Hong Kong and Singapore. Together, they account for about 40 per cent of all licensed foreign investment. But as one Japanese diplomat said, Vietnam wants a 'different' foreign investment mix. The Chinese capital from its three top investors is generally in the fields that provide short-term returns, mainly hotels and tourism." *Australian Financial Review*, April 21, 1995, p.18.

fited other areas of the country. It is not surprising that many of the most zealous revolutionary leaders came from this hardscrabble area, and even less surprising that they should feel resentful at seeing the cradle of the Vietnamese revolution bypassed in the course of what they regard as capitalist reforms. "Trickle-down" economics is not working in the depressed central regions. Moreover, the regional tensions and disparities that the oil refinery case illustrates only highlight the fact that Ho Chi Minh City is drawing apart from the rest of the country, with a sizzling current growth rate of 15 percent and a projected per capita GNP of \$1,500 by the year 2000 (double the city's current per capita figure), which is already far beyond the national figure, often reported at around \$200.

Vietnam's troubled oil refinery project also illustrates the tensions between the old obsessions with security and autonomy and the new constraints of interdependence. To ensure a reliable and cost-controlled oil supply, Hanoi wants its own refinery. However, with the politically induced added expenses, the smaller investors still in the picture want guarantees that the Vietnamese government will subsidize output, if necessary, so that the local refinery would remain competitive with foreign sources like Singapore. This, in turn, might create problems in Vietnam's relations with the Association of Southeast Asian Nations (ASEAN). Thus, Hanoi is having to adjust to a new level of complexity in its domestic affairs because of the constraints injected into its policy process and the tradeoffs inherent in joining ASEAN and opening itself to the punishments as well as the rewards of the global market. The French oil refinery project and other aborted joint ventures illustrate the pitfalls of a political elite forged in revolution attempting to make the adjustment to the world of commerce. The old reflexes are hard to suppress, and the feeling that capitalist foreigners are, in the end, intent on exploitation gives many powerholders an urge to counter with demands that undercut the economic logic of a project.

Noneconomic considerations especially intrude in cases where the Vietnamese partner in a joint venture is essentially selling a political privilege, such as access to land or resources. Throughout Vietnamese history a primary function of the state has been the defense of its territory against foreigners. In today's world, translating this objective into policy would require an isolationism that is neither practical nor profitable. If Vietnam were a pot of gold, it could sit on its treasure and defy attempts from the outside to plunder its wealth. But, of course, Vietnam, like most other developing countries, needs foreign assistance to develop its

potential. This is sometimes a bitter pill to swallow for the older generation of revolutionaries, who remember well that the French justified their colonial domination of Vietnam on the grounds that the "natives" were incapable of taking advantage of their own resources. The French used the term "*mis-en-valeur*"—to provide value, or bring out the latent value—as a cognate for what is now termed "economic development." The image of being reliant on foreigners to realize Vietnam's economic potential is jarringly inconsistent with the nationalist message that has dominated Vietnam's politics for much of this century.

But if the early part of the twentieth century in Vietnam and Asia was dominated by imperialism and the middle part by the nationalist response to imperialism, the latter part of the century has increasingly focused on the state's responsibility for the welfare and prosperity of its citizens and keeping up with the general trend of economic progress in the region and the world. China's Deng Xiaoping marked this change

memorably when, at the outset of China's economic reforms, he said that if the Chinese Communist Party could not deliver prosperity to the people, it deserved to be overthrown.

Vietnam's leaders have been more cautious or perhaps less confident in the outcome of their own reforms, but they are also aware of the inevitable comparisons being made between their own country and the neighbors that are propelling the dynamic economic growth of the region. Nguyen Ho, a prominent southern revolutionary leader and one of the most trenchant critics within the ranks of the Communist Party, said in 1988 that "Vietnam

hasn't advanced to socialism. Vietnam is the poorest and most backward country in the world at present. The influence and prestige of the party and socialism have seriously declined among the people and the world. That is a great disaster for the party and the people of Vietnam." Nguyen Ho and other outspoken critics of the party's record have since been silenced, but the message is clear: the party must re-legitimize itself. General Vo Nguyen Giap, who defeated both the French and the Americans, recently told a mass rally that "My generation washed away the shame of losing our country's independence, and now it's your turn to wash away the shame of a poor and backward country."

The late twentieth century focus on success in economic development has fused nationalist pride and concern for national prosperity and made the stewardship of Vietnam's leadership in economic development a touchstone political issue. However, what gains support for reforms within the party (preferential access to

Despite the many problems, ironies, and contradictions, Vietnam has made important advances that are often overlooked in year-to-year assessments of change.

economic opportunity for well-placed party members and the regional payoffs mentioned earlier) often loses support for the regime outside the party (disdain for corruption, difficult access to the requisites of economic success) and threatens the results of reform.

Despite the many problems, ironies, and contradictions, Vietnam has made important advances that are often overlooked in year-to-year assessments of change. Significant steps in building the foundation for economic reforms have been made. Despite the considerable political costs involved, the country's leadership has tackled contentious issues such as the privatization of state enterprises. A semblance of a banking system is being constructed, and the way has been opened for greater opportunities for foreign banks. Vietnam's private investment code has been continuously revised in an attempt to lure increased foreign capital. A rudimentary taxation system has been introduced, and recently the government announced that it will respond to a number of foreign investor complaints and make substantive revisions to the tax system. Foreign law firms now operate in Vietnam.

At the same time, many of these developments have given rise to new problems. During a recent visit to the town of Nam Dinh, home of Vietnam's largest textile mill and one of the largest state enterprises, a retired mill worker complained that she had been told that the government pension fund had run out. With the increased emphasis on privatization and profitability, some important constituencies are being left behind. With the new tax system, the Vietnamese government is encountering serious problems in collecting the funds it once easily garnished from state enterprises. Hanoi's initial receptivity to foreign lawyers and firms was reversed this year by legislation significantly affecting their ability to operate in Vietnam.

Perhaps the most central and intractable problem is the issue of private property ownership. Although the government is vigorously pursuing privatization because it relieves the state of responsibility for inefficient enterprises, there has been a great reluctance to relinquish control of property rights. Consequently, investors encounter confusion concerning the extent of their control over land and facilities. Property rights are a core issue in two respects. First, state ownership of property has strong ideological antecedents; the party is reluctant to give up the last clear link with its socialist identity since this would cast doubt on one of the central legitimating claims of the regime: that the state represents the interests of all the people. Second, clarification of the legal status of property is a prerequisite to valuation of assets, which, in turn, is a requirement for establishing a stock market, which has been much discussed in the past two years. Unlike most other areas of economic reform, where obstacles can be circumvented by taking a different route, this issue must ultimately be faced squarely. A new civil code that

was approved this October represents a step in this direction, but many ambiguities remain.

OPENING UP ECONOMIC DEBATE

Vietnam's foreign policy strategy of diversification in external relations has a domestic counterpart in greater scope for debate and action, at least in the economic sphere. Until a few years ago it was possible for a determined opposition to block important elements of the reforms since key decision points in the policy process controlled the path of further decisions; obstruction thus could forestall any further action. Now the decision trees in the economic sphere branch in many directions and it is harder to control the multiplicity of activities that have been set in motion. In earlier times the most effective control on experiments or reforms was the paralysis caused by fear of making a misstep in an unauthorized venture. Now the attitude seems to be, if it has a chance of success, and can be financed without state funds, give it a try. If a ministry or agency can mobilize the resources, there seems to be a disposition to let it go ahead.

The availability of resources from foreign investors is what makes this relatively laissez-faire view possible. These resources circumvent the veto that the central leadership could exercise by simply denying funds to innovators whose projects were not favored at the top. Even at the city and provincial level, it is possible to directly tap foreign capital, although this can also lead to local corruption, as evidenced by the 1994 sacking of the top leadership in Danang. In addition, using foreign capital shifts the risks of innovation from the central leadership to the foreign underwriter of projects. From the point of view of central control, this has both dangers and appeals. It is easier to resolve policy disputes by experimenting with competing approaches, or even concluding that there is more than one answer to a problem. On the other hand, it makes coordination and planning more difficult, and multiplies the risk of corruption.

The smothering bureaucracy of the once all-powerful State Planning Commission is undergoing a significant transformation. For a visitor it is a shock to encounter a Western economist ensconced in this one-time citadel of socialist orthodoxy, though he is at great pains to avoid the term "adviser," with its patron-client overtones, and makes it clear that he acts as a resource, and offers analysis and opinion only when asked. The State Planning Commission and the State Committee for Cooperation and Investment were merged into the Ministry of Planning and Investment this October. It is unlikely, however, that this new institution will have the power and influence of Japan's Ministry of International Trade and Industry. It is more probable that the new ministry itself will be one of a number of players in the policy arena, and that there may well be an intentionally designed competition for influence within its own main branches.

To be a "smart state," if not a "strong state," implies effective coordination among the key spheres of reform. Some Vietnamese planners give Prime Minister Kiet high marks in this area, and World Bank and International Monetary Fund experts have been generally impressed by the performance of the government, at least with regard to its willingness to "do the right thing," especially in the areas of privatization, inflation control, and foreign investment regulations. The problem is that it is not always clear what the "right thing" is. There is a reassuring clarity and simplicity in the market solutions offered by the World Bank and Harvard Institute for Development economists that in some ways mirrors the comforting illusions of the old Marxist doctrine it has supplanted. Their views have largely become the new orthodoxy among Vietnamese reformers at the very top of the system. Of course, policies based on "miracle of the marketplace" assumptions may create problems even as they resolve others.

In the countryside, reform has had mixed results. It was the near collapse of agricultural production in the late 1970s that led to the first desperate departures from collectivist orthodoxy that paved the way for the later reforms. Nearly 20 years later, half of Vietnam's rural population does not receive the minimum recommended caloric requirement. Many peasants who were the core support of the revolution are living in poverty. General Secretary Muoi recalled the plight of many of the former soldiers he visited in the south in December 1994. "I will be tormented until the last breath of my life with the image I witnessed during my visit of poor families, particularly relatives of war martyrs, left landless. They must now work for hire for rich households," Muoi said.

In the south, where collectivization never took hold, individual farming has been a success. But in the less well-endowed villages of central Vietnam the situation has been different. Urban-rural differences have widened, rural unemployment is high, and there have been reports of unrest in some areas. The party has been concerned about "hot spots," villages where conflicts are so severe they cannot be resolved by the local authorities.⁴ As would be expected, some of the worst problems are in the poor provinces like Thanh Hoa, but even areas in the Red River Delta like Hai Hung have been troubled. Still, reports by experienced observers indicate that there has been grumbling, but no serious protest, from the countryside.

CATALYSTS FOR POLITICAL CHANGE

It could be argued that the dissatisfaction of those bypassed by reforms is not a real threat to the system as long as they remain in isolated pockets. The more serious long-term problem is a legitimacy issue. Free

market solutions may bring prosperity to some, but they do not automatically gain credit for the authorities who allowed them. Those who benefit may appreciate the opportunity to advance their interests, but because the accomplishment is personal, it does not necessarily forge bonds of political loyalty to the regime. The authorities are more likely to receive the blame from those who are injured by the reforms than get credit from those who gain.

Behind the impressive façade of bureaucratic socialism practiced in Hanoi since 1954 and the entire country since 1975 is a complex web of patron-client relations that has provided access to benefits and political participation as well as protection from faceless authority. Because the long nationalist struggle co-opted so much of Vietnamese society, it is hardly surprising that the inner dynamics of the regime should mirror the larger society in which it was embedded. But just as foreigners find themselves in a situation that is suspended between clientalism and institutionalized due process, many Vietnamese are finding that the old networks no longer work as effectively as they once did, and the glue of common purpose that held multiple networks together is breaking down.

The signs of this are visible, but they are not yet a serious threat to the regime, though they are certainly ominous portents for Hanoi's leadership. Widespread disaffection in south Vietnam, a product of the division of the country and the flow of history as well as the greater prosperity and individualism that often undermined the revolutionary message there, is a given. Yet political power remains centered in the north, and as long as the south is allowed the leeway to cut its own deals and go its own way, it will probably not challenge this power.

A more serious threat to the regime is the resurgence of Buddhist activism. The relentless crackdown on those Buddhist leaders who resist the control of the state illustrates the leadership's deep concern about their opposition. It is not that the dissident Buddhists themselves could offer an effective political challenge to the regime, but rather that they contest its moral authority. It is hard to say how extensive their organized following is, but the political parallels between their dissent in the 1990s and the Buddhist movement in the south during the early and mid-1960s are striking.

During the Vietnam War, southern Buddhist activists became surrogates for antiwar protest that was too risky to express in secular political terms. That they did not represent a political alternative to the contending sides in the conflict, did not have a clear solution to propose, and were not even "representative" of a broad majority of the southern population was beside the point. They became the symbols of a general desire for peace because they were not encumbered by the necessity to explain the political path to that universally desired goal. Today's Buddhists are similarly "unrepresentative"

⁴I am indebted to Kim Ninh of Yale University for bringing citations on "hot spots" to my attention.

and are also not an alternative to the existing political order, but are trying to become a surrogate for those who would like to push for more breathing space in the system. To view them as advocates of "democracy" might be misleading; it seems more accurate to characterize them as symbols of a push toward pluralism. The Buddhists who tried to organize an independent relief program for flood victims in the Mekong Delta is a case in point. This effort constituted a claim for the right to autonomous social action, which the party leadership regarded as a prelude to demands for autonomous political action, and thus the organizers ended up in jail.

It is unclear how much support the Buddhists have. The incarcerated Buddhist activists have become prominent international causes in human rights circles. A key issue is how to define the boundaries between freedom or religion, social action, and political rights. It is another constraint of interdependence that this issue will not be restricted to Vietnam's domestic arena, but involves international pressures that Hanoi's leadership will be forced to take into account. It is an indication of how closed the political system still is that it is impossible for outsiders to assess the impact of this issue within Vietnam. Certainly it is a topic that is not raised with foreigners in Hanoi in conversations with regime supporters. Whether it has more of an impact in other places, especially in impoverished central Vietnam, is an open question.

LIBERALIZATION FROM WITHIN?

Probably the main source of political change will not come from outside the ranks of the powerholders; it is a split within the political elite that is of much greater concern. Peasant dissatisfaction, resentment among those left behind by the reforms, and even the widespread alienation from Hanoi found in south Vietnam are problems for the regime, but not insurmountable ones. What the power elite seems to fear most is a fragmentation of the inner power structure. That is why the defection in 1990 of an insider like former military officer and journalist Bui Tin created such consternation. The challenge of the former southern guerrilla leaders who formed a "Club of Former Resistants" with their own semiclandestine newspaper was certainly the most serious political problem the top leadership has faced. These decorated revolutionaries could not be labeled "dissidents" since they pushed not for liberal democracy or an end to one-party dominance, but for a greater voice within the party.

One reason Vietnam's leaders have been so vocal in their denunciations of "pluralism" is that they fear a repetition of the Soviet and Eastern European experi-

ence, in which the socialist regime imploded because its inner cohesion was lost. From the Vietnamese leadership's perspective, it is not so much the expansion of political participation inherent in pluralism, or even the loss of some benefits of the party's monopoly position that is the main problem: the key issue is the fragmentation at the political core that will allow otherwise containable problems to spin out of control. Hanoi's bookstores are full of translations of Chinese books railing against the Western plot of "peaceful evolution" as well as the government's own writings on the subject, and party leaders frequently inveigh against this creeping threat. But the fear is less that the international forces of capitalism and democracy will themselves bring down the party power structure than that the power structure itself will be incapacitated by the siren song of the enemies of "socialism."

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The challenge from within is twofold. First it is the voices of those calling for more openness within the system. The noted mathematician Phan Dinh Dieu is a case in point. A pioneer in computer programming whose contributions to Vietnam's national defense during the air war in north Vietnam have led to comparisons with Nobel Peace Prize-winner Andrei Sakharov as a patriotic dissenter, Dieu has mistakenly been labeled a dissident. His calls for more openness, while bold, are not attacks on the foundation of the regime, however, and Dieu now appears to be back in political favor and entrusted with the weighty responsibility of crafting a national plan for information technology in Vietnam. The reformers are an important element of the regime's central leadership but not, apparently, a faction or even an interest group within it. They are tied in many

ways to the top political leaders and serve as an important reality check for the highest echelons of the party. In this sense, the reformers help expand the parameters of permissible debate within the governing circles, but do not challenge the authority structure.

The second and most serious internal challenge for the leadership is the succession issue. Although outsiders understand little about the politics of Vietnam's inner circle of leadership, there is no visible analog to China's Deng. Moreover, at next year's party congress, there is a strong chance that party General Secretary Muoi and Prime Minister Kiet, symbolically representing an alliance of north and south, bureaucrats and guerrillas, will anoint their successors, forestalling a political battle over the succession.

Over time, however, some reliable mechanism must be developed to arbitrate between contending candidates. Revolutionary credentials alone will no longer

tip the balance, nor will the revolutionary old guard be able to control the succession process indefinitely. The shift from revolutionary struggle to economic development will demand new leadership qualities. To date, the tension between maintaining a structure of tight party control and loosening up in the areas where economic development requires flexibility has been eased by finding tough revolutionaries like Kiet who can keep the essential political control system intact while insulating important economic areas from rigid oversight. When figures like Kiet and Muoi, with their extensive networks in both the control and the management systems leave the scene, it seems likely that the leadership will come from either one side of the regime or the other, and that there will be a growing gulf between the administrators and economic managers and the party/control sectors. Will technocrats and administrators be able to assure the party/control people that they can maintain the political system, and will the party/control people have the skills to keep Vietnam's economy growing?

The evidence that a two-sector system exists comes largely from foreigners who deal primarily with the administrator/technocrats, and see the party/control types as a dim and shadowy presence that appears mainly as an obstacle to closer cooperation between foreigners and their Vietnamese projects and contacts. Thus this hypothesis of an emerging bifurcated system may be oversimplified or exaggerated, though it is certainly a reality. The director general of Japan's powerful Keidanren [Japanese Federation of Business Organizations] pointedly observed on a visit in early 1995 that major Japanese companies were still hesitating to make major investments in Vietnam because, although "the leaders and the economists and the technocrats that we have met are ready, there are other forces—armed forces, party and interior forces—who are not yet so internationally minded. They are still there and they do worry us as investors, but we hope the leaders can bring about change. We will have to be patient."

A DIFFERENT KIND OF STRUGGLE

A number of possible scenarios for Vietnam's political evolution have been suggested, ranging from the indefinite continuation of the present system to the complete collapse of party rule. Some have suggested that Vietnam's Communist Party will become more inclusive and internally democratic and follow in the path of one-party regimes such as those that managed the first stage of growth in the Asian market economies. In a wide-ranging conversation about United States-Vietnam relations in the summer of 1994, a high-ranking internal security official scoffed at the idea that Vietnam would aspire to a one-party

dominant regime such as Taiwan. "Brawling in the National Assembly? No thanks!" he said.⁵ Still, it is not an inconceivable eventuality.

Another possible political evolution would be the expansion of the powers of the National Assembly and the shifting of decision making on economic and administrative matters and even personnel decisions into this forum, along with increased parliamentary control of the Council of Ministers. This would accommodate the growing distance between the political networks of administrator/technocrats and the party/control sectors. To some extent this has already happened. In the past year the National Assembly has debated tax and land use matters as well as a number of other sensitive issues; whether the National Assembly will ever control the ministries is another question. Some of the former southern guerrillas tried to insist on ministerial accountability to parliament and secret ballot election of the prime minister in the late 1980s when the reforms appeared stalled, but even this powerful group got nowhere. It is still the Communist Party that controls major personnel decisions, and it would require a wrenching readjustment for the party to operate within the framework of parliamentary rules.

In the longer run, the issue goes beyond changes in procedure and institutions. The political scientist Richard Neustadt told newly elected President John F. Kennedy that a president came to office with a fixed capital reserve and should expend it cautiously over the term in office because it was difficult to replenish. In a democratic system, the capital comes from the election and the mandate it confers on the winner. In the case of Vietnam's ruling Communist Party, the mandate comes from seizing control of the independence struggle and the immense political capital that the party accrued at the time of the August 1945 revolution, and its struggle against the French and Americans. As the party's own leaders have acknowledged, however, some of this credit has been squandered by postwar mismanagement of the economy. One of the powerful themes that came out of the brief episode of public attacks by former southern guerrilla leaders on Hanoi's leadership was the need for accountability. Nguyen Ho boldly stated in 1988 that

I think that this session of the National Assembly shouldn't just complain and demand, but become the voice of the highest organ of decision making about the fate of the country—the clear truth is that the complaints of the people are not because they oppose socialism but because they are "happy and exited about the party policies which are in tune with the realities of life" but are disappointed when these policies are not carried out. For a long time public opinion has posed the question: "Why does this perverse situation drag on while we have never heard a word of

⁵Author interview, Hanoi, August 18, 1994.

clear explanation from the leadership? Could it be that the leadership also sees this situation but uses halfway measures to resolve it?" This is driving the revolution in reverse—tying our own hands—isolating ourselves. More than this there is no way of restoring the prestige of the party and the confidence of the people. Just as public opinion says, "the house leaks from the roof." This phrase, though simply put, contains a rather profound significance. These bad policies have had a chain reaction in social life—have split the economy from society relations between the various social classes—far from the spirit of the Sixth [Party] Congress resolution. From this reality we recall the penetrating saying of Uncle Ho: "When the masses acknowledge a policy to be correct and the leadership ability of the party, only then will the Party hold a firm leadership position. Correct party leadership always stems from the aspirations of the people on the basis of belief in and reliance on the masses. But in this matter it is clear that from the time of gaining power to the present, the mass concept and mass line have faded, and there are not infrequent cases where they have been completely forgotten by a number of leading cadres."⁶

This speech was made years ago by a voice that has now been silenced, during a time when the 1986 reforms were stalled. Still, it provides one of the rare insights into the political analysis of those within the party calling for change. It frankly acknowledges the erosion of legitimacy and the need to reconnect the party leadership with its social roots. It is significant that voices of change who were blocked within party channels would point to the National Assembly as an alternate decision-making forum.

The basic problem for the Vietnamese Communist Party is that its old social base is fragmenting. While those at the top may benefit from the reforms, those at the bottom often do not. Building an alternative base of support from the beneficiaries of the reforms would further strain the ties with the revolutionary base, and the very nature of individual material incentives makes it difficult to translate the freedom to profit into political loyalty. Although it can hold on to power and even

maintain an authoritarian system parallel with an expanding market economy, the combination of internal and external pressures for change will be great. Vietnam's membership in ASEAN will expose it to influences not tainted with the suspicion of Western plots. The interpenetration of Asian elites and the new ideas that inevitably flow will certainly have an impact in Vietnam. The overseas Vietnamese with their combination of technical skill and personal ties with Vietnam will also have a significant role to play in Vietnam's future.

In the end, however, the major source of change will come from within—not as a result of any Western plot for "peaceful evolution." It is significant that in a speech to the national police at the beginning of the 1995, Prime Minister Vo Van Kiet praised them for their role in maintaining the "country's socialist direction, stabilizing politics, initially foiling the hostile forces' maneuvers of 'peaceful evolution' and checking in time subversive and sabotage activities by in-country reactionary forces in collusion with those from the outside." In other words, the real security task is internal, not external.

Having fulfilled its historic mission of national liberation, the regime must now deal with Vietnam's entry into the twenty-first century. In his January 1995 speech to the Central Committee, General Secretary Do Muoi acknowledged that "a large number of people" are "skeptical of the party's ability to rectify itself." If the party or any other group asserts a special claim to rule, it will have to reestablish a moral basis for exercising that authority that resonates with a broad cross-section of Vietnamese society. That does not necessarily mean multiparty democracy, but it does mean accountability, especially if economic development falters.

The 1988 opposition of the southern guerrillas during a setback in the reform process is a warning for the regime. It may require an institutional and constitutional foundation that depends on more than behind-the-scenes internal party power brokering. Whether the current regime is able to accomplish this immense task remains to be seen. Even without a new infusion of moral energy, the present system could last a long time. A stagnant but stable authority structure might even be preferable to chaotic political disintegration. But whether it could tap the energies of the Vietnamese people in an increasingly competitive global environment and catch up with the pace of change in Asia—the historic task bequeathed by General Giap to the successor generation—is another matter. Vietnam encountered severe challenges in this century. It may find that what it must face in the next century will provide an even sterner test of its resilience and adaptability. ■

⁶This is from the author's notes of a newspaper account of a speech of Nguyen Ho, director of the Club of Former Resistants, November 13, 1988. The punctuation may be slightly different than the full text reprinted in the semi-underground paper *Truyen Thong Khang Chien* [Resistance Tradition] (n.d., circa early 1989), but the words are those of Nguyen Ho. I am grateful to Nayan Chanda for making this important publication available to me.

"Since the late 1960s, Indonesia has pursued a political and economic strategy of intense accumulation for some—and aggressive exclusion for most."

Suharto's Indonesia: Prosperity and Freedom for the Few

JEFFREY A. WINTERS

Although Indonesians celebrated their fiftieth year of independence in 1995, they may have to wait another 50 years before they can begin to celebrate their freedom. As in neighboring Singapore, economic development has not led to wide political liberties. Nor have 30 uninterrupted years of rule by President Suharto, a former general, guaranteed the country's stability. Even if Suharto remains in power for a seventh term after the 1997 elections, the sun is setting on his "New Order" regime. Looking increasingly bloated and tired, the 74-year-old dictator (Asia's most enduring since the death of North Korea's Kim Il Sung) can no longer control this archipelago nation of 200 million as he once could. Some Indonesians are excited, others are nostalgic. All are nervous.

Economic development has brought staggering wealth for a few (especially the president and those close to him) amid widespread poverty. Privileged classes enjoy a glitzy cosmopolitan life and most of the basic freedoms that tend to accompany elite comforts. They are even permitted a modicum of free speech as long as their grumbles and gripes occur within closed circles.

Meanwhile, the vast majority of the population lives in fearful silence, ever mindful of the many occasions on which Suharto has demonstrated his willingness to deal swiftly and brutally with mass-based opposition. No moments in Indonesian history were more terrifying than the massacres of 1965 and 1966, when Suharto's military helped coordinate the slaughter of nearly a million people following an abortive coup. According to Ariel Heryanto, one of the country's brightest young political scholars, the massacres "remain the...most determining factor in shaping contemporary Indonesia."

The country features dense pockets of "first worldness," with mega-malls, quaint housing developments, Pizza Hut and McDonald's franchises, live CNN broadcasts, the latest trends in world music and fashion, and

every modern convenience for the home and office. These zones extend to industry and manufacturing, as global and domestic firms set up shop in industrial estates that offer an investor's paradise. Outside these pockets, however, are broad areas of "third worldness," with dirty water, poor sanitation, disease, rampant underemployment, boredom, frustration, and only the faintest expectation that the country's wealth and prosperity will trickle down.

Illustrating once again that no public comment is too absurd for those in positions of unchallenged wealth and power, President Suharto observed earlier this year that, "It is against the ethics and morality of religion to live in luxury while the majority of the people still have a hard life." It is a curious comment coming from someone whose extended family's fortune is valued in the tens of billions of dollars. Since the late 1960s, Indonesia has pursued a political and economic strategy of intense accumulation for some—and aggressive exclusion for most.

DEVELOPMENTAL SUCCESS UP CLOSE

Looked at from the proper perspective, there has been substantial economic development in Indonesia. In 1966 the annual per capita income was about \$75; the World Bank expects it to be \$1,000 in 1996. The government's stated goal is to reach a real per capita annual income of \$4,000 by the year 2020. Other successes are notable. After allowing the country to become dangerously dependent on oil and gas exports during the oil boom of the 1970s and early 1980s, Indonesia managed to wean itself and diversify its production and export base by the early 1990s. Oil and gas exports dropped from 80 percent of total exports in the early 1980s to 46 percent in 1994. That same year, manufacturing accounted for 23 percent of Indonesia's GDP of \$158 billion. If services and tourism are included, the share jumps to 60 percent.

Significant improvements were also made in adult literacy, average life expectancy, and infant mortality, and the population growth rate was slowed. For most years inflation has been kept below 10 percent, while real economic growth rates averaged between 6 and 7

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percent annually during the 1980s and 1990s. By the 1990s, Indonesia was the world's largest exporter of liquid natural gas, plywood, and shrimp, as well as a major producer of textiles and furniture.

Based on this record, Indonesia has been showcased by the World Bank as a model of developmental success. As the centerpiece of the Bank's *World Development Report* in 1990, Indonesia was offered as a benchmark against which the performance of other countries should be judged. The praise continued into 1994, when the World Bank's country report on Indonesia contained a section with the dramatic title, "The Great Ascent: How the Poor Rose Out of Poverty."

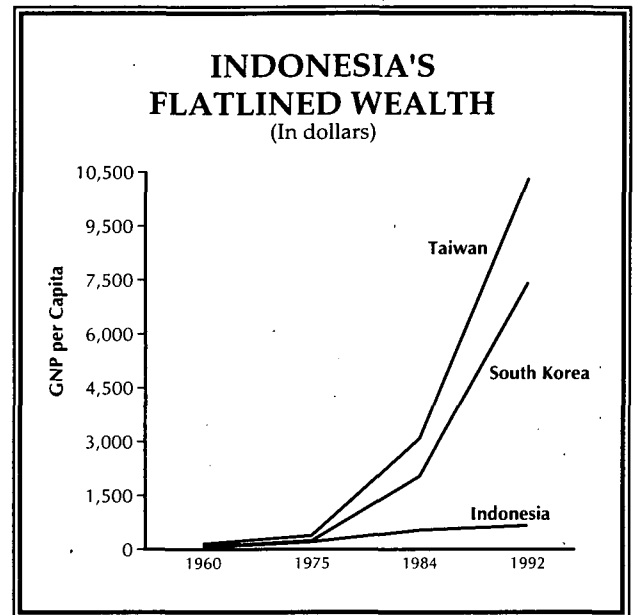
On the surface, it is difficult to criticize Suharto and his New Order regime. However, on closer scrutiny the picture is much less impressive. Because of government theft and repression, Indonesian development has fallen far short of the country's potential and wealth. Per capita figures tell us nothing about the concentration of prosperity, and the Indonesian government has clouded the issue further by basing its claims about the distribution of wealth on inaccurate measures and data. In the meantime, the country has accumulated one of the largest foreign debts in the world—\$100 billion as of 1995, requiring payments of \$8 billion a year divided equally between principal and interest.

A MISSED OPPORTUNITY

Although it is difficult to make simple comparisons across cases, it is useful to consider how similar Indonesia was to Taiwan and South Korea 35 years ago, and how different they are today—as can be seen in the graph on this page.

All three countries started out with a modest GNP per capita in 1960. Although South Korea and Taiwan began to post sharp increases in GNP per capita around 1975, Indonesia's performance has remained remarkably flat into the 1990s. Taking just South Korea and Indonesia as illustrations, the data show that the ratios between them went from roughly 1:1 in 1960, to 4:1 in 1984, and climbed to 10:1 by 1992.

A former top executive from Krakatau Steel, an Indonesian government enterprise that many consider a white elephant, provides yet another angle on the diverging paths followed by Indonesia and its neighbors in Northeast Asia: "Both Korea and Indonesia entered the steel-making business at exactly the same time in the early 1970s. But that is the only aspect of our experience that we have shared. . . . By the early 1980s, people from US Steel were already flying to Korea to try to get some good ideas for the steel industry back in Pittsburgh. By 1990, consultants from Korea were being hired by steel companies in the US and flown over the Pacific to help boost American steel



production. Meanwhile, Krakatau Steel is not a major exporter and the steel industry in Indonesia remains weak and highly protected."¹

A similar story can be told for the other components of South Korea's "Big Push" into heavy industry. If we add to the equation the relative size of the capital each government had on hand to fund economic change, the pathologies of Indonesian development become even more apparent. Continuing the comparison between South Korea and Indonesia, both countries received massive inflows of relatively "untied" capital and resources that could fund an aggressive development plan. We can isolate a crucial 17-year period for both countries during which the inflows of resources for state-led investment were substantial and not easily controlled by outside actors. For South Korea it was the years from 1959 to 1975, while for Indonesia it came slightly later, from 1974 to 1990. For both countries private sector resources played a more prominent role after these phases.

Although South Korea had a head start, it did much more with far fewer resources. Over the 17-year period, Korea received \$8.7 billion in bilateral and multilateral assistance. Most of this came from the United States as part of the effort to contain communism in Asia. As the graph indicates, it took roughly a decade for this assistance to begin to produce rapid growth in Korea.

Between 1974 and 1990, Indonesia received a staggering \$166.5 billion in "untied" resources, with 70 percent entering the national treasury as oil and gas receipts and the remainder supplied to the Indonesian government as multilateral and bilateral credit. Putting aside how much more can be done with such a large pool of resources, the developmental fruits from this capital should have been visible by the mid-1980s. And yet, as late as 1992 GNP per capita was still almost flat. Even at the projected level of \$1,000 for 1996, Indone-

¹Confidential interview in Jakarta, December 14, 1994.

sia will continue to show the same lagging performance.

Why, despite having a far larger pool of resources available to the government, has Indonesia's growth been stunted? The amount of resources available for economic transformation is only half the equation. It is equally important to examine how the resources are used. They can be invested effectively and efficiently. They can also be wasted, stolen, and consumed by the political actors (and their allies in society) that have direct access to them.

Because of Indonesia's authoritarian system, there is no effective way to control those who want to use state resources for personal gain. Interestingly, South Korea and Taiwan also had few internal limits on their military regimes, but the major difference is that they faced serious external security threats (from North Korea and China, respectively) that created a siege mentality in their governments. Stealing and rampant corruption on the scale seen in Indonesia would have been tantamount to treason in South Korea and Taiwan. Indonesia faced no such foreign threats. The result is that a rare opportunity to use windfall resources for rapid development was squandered. In describing how government officials and their close associates in the private sector abuse public resources, one political observer who has lived in Indonesia for over two decades offered an apt summation: "They spread whipped cream all over each other and then lick it off."

POOR COUNTING

In 1989, President Suharto stunned the nation when he announced that Indonesia had only 30 million poor people. Although this figure (reduced to 27 million by 1994) has been repeated endlessly by Indonesian officials and others around the world, the most crucial part of the statistic—the precise definition of "poor" used to determine the number of people in poverty—has never been mentioned.

The definition of a poor person used by the Indonesian government's Central Statistics Bureau in 1994 is someone with an income of 20,000 rupiah (\$9.30) per month in rural areas and Rp 28,000 (\$13) per month in cities. In Jakarta, this works out to Rp 933 (\$.43) per day, which is barely enough to buy the cheapest brand of instant noodles three times a day. Leaving aside nutrition, this daily income means that no money is left over for shelter, clothing, health expenses, or transport. If we multiply this poverty line by a factor of two, we almost reach Rp 2,000 (\$.93) per day, or the amount paid to trainees working part-time at McDonald's in Jakarta. To put this wage in perspective, an Indonesian trainee would have to work almost 4 days to afford a Big Mac, fries, and a Coke.

Doubling the definition of poverty to Rp 40,000 (\$18.60) per month for rural areas and Rp 56,000 (\$26) per month for cities would bring the number of Indonesians living in poverty much closer to 75 mil-

lion. Yet even at twice the official poverty line, nutritional food, shelter, transport, and health care are extremely difficult to afford.

The problem of counting the poor prompted an illuminating controversy in 1989, when the World Bank was drafting the 1990 *World Development Report* that would showcase Indonesian development. When the Bank, as is its custom in Indonesia, circulated the report to Indonesian officials for their approval, conflict arose because the Bank used a definition of poverty that yielded a number significantly higher than the 30 million announced publicly by Suharto.

This led to several rounds of negotiations between the Bank and Indonesia's ministers to settle on an acceptable number that would not embarrass Suharto, who had apparently picked his figure out of thin air. Without even so much as a footnote to alert trusting leaders to these negotiations, the Bank ended up relying completely on Indonesian data and definitions, so that the figure published in the 1990 report was exactly 30 million.

This kind of close cooperation between the World Bank and Indonesian officials is part of the Bank's "special relationship" with Indonesia. Indonesia, for example, is the only country in the world that does not have to sign a formal letter of conditionality before receiving World Bank loans. Letters of conditionality contain detailed policy changes that must be adopted by the borrowing country before money will be disbursed. The typical letter for Indonesian loans contains no language that could be construed as pressuring the Indonesian government to change its policies. Members of the World Bank mission in Jakarta are quite proud of their adaptations to Indonesian sensibilities, even if the special treatment they have given has caused some friction with the Bank's headquarters in Washington.

It is noteworthy, also, that the World Bank is fully aware that substantial amounts of development resources are never used for their intended purposes. In a 1989 interview with the head of the World Bank mission in Jakarta, I asked what proportion of the Bank's disbursements to Indonesia leak out of the system and disappear. The answer was "about a third." The official added that even if it wanted to, the Bank could not conduct a detailed audit of how money was used once it entered the Indonesian system. In the end, the official observed, what matters is that Indonesia is on the right path in terms of economic policies and, of course, makes regular and timely payments on its debts.

THE WEALTH GAP

Claims by the Indonesian government and the World Bank that the gap between the haves and the have-nots is shrinking also deserve closer scrutiny. Even though billions of dollars flowing into the government have seeped into the hands of the rich and

powerful, government data assert that wealth is not being concentrated into the hands of the few.

Such data are unreliable because income is measured indirectly. Rather than collect data on actual income levels, the Indonesian government uses spending levels as a substitute for income in the national census. This method contains a systematic bias because spending increases are an accurate measure of income growth only if nearly all extra income is spent (and is spent on products and services the government measures). The poor tend to have many basic needs that go unmet, and so almost all extra income is devoted to extra expenditures to meet those needs. But as one moves up the income ladder, the relationship weakens, since extra income tends to go into savings and investments. Also, while many poor Indonesians allocate a large part of their monthly resources to pay rent for shelter, the rich tend to acquire land and property—neither of which is reflected in spending patterns measured by the government.

Finally, it cannot be assumed that the rich and the poor confront a census surveyor with the same openness or sophistication. Whereas an Indonesian farmer might be intimidated by a National Statistics Center representative asking a lot of probing questions, a member of Indonesia's economic elite would likely look down on the same surveyor precisely because he is a civil servant. Also, given the extraordinary levels of corruption in Indonesia, a rich person might have much to hide when being interviewed about spending patterns. Even a casual glance at lifestyles in Indonesia's major cities would suggest that fantastic wealth has been accumulated by the country's upper classes while living standards for everyone else have improved at a much more modest rate.

THE POLITICS OF EXCLUSION

In 1955 Indonesians participated in their first and last fair election. By 1959 parliament had been shut down. When General Suharto took control of Indonesia at the end of 1965, pushing the more charismatic President Sukarno aside, he had two immediate political objectives: to consolidate his hold on power and to demobilize and depoliticize society. He pursued both in a bold and methodical manner. Suharto immediately set the tone of his rule by orchestrating one of the world's more bloody and brutal massacres. When the country's representative institutions were later reopened, they had been redesigned with executive control in mind. To make sure the party system would be mostly dysfunctional, in 1973 Suharto forced the ten existing parties

into three: Suharto's own government party, Golkar; the Muslim-dominated United Development Party (PPP); and the largely Christian-nationalist Indonesian Democratic Party (PDI). Predictably, the PDI and PPP are rife with factionalism and conflict.

One house of parliament, the People's Consultative Assembly (MPR), meets only once every five years to choose the president and set the broad guidelines for government policy. It has met six times since Suharto came to power and has chosen the same president each time. This is hardly surprising, since there has never been an opposing candidate. And even if there were, Suharto appoints 600 of the MPR's 1,000 members. The other 400 seats are allocated through tightly controlled general elections, also held every five years, during which it is illegal to oppose the government or criticize the president. Campaigning is limited to a period lasting just over three weeks, and only Golkar is allowed to campaign down to the village level. The campaign period is followed by another week of "cool down" before the polls are opened and Golkar gets a standard

70 percent of the vote (guaranteeing Suharto almost 900 seats in the MPR).

The other house of parliament, the People's Representative Council (DPR), has 500 members, of which 100 are appointed by Suharto. The DPR is supposed to be the representative voice of the people, yet Indonesians never have had a chance to vote for individual candidates. Instead, they vote for parties that win seats according to their share of the vote, and Golkar usually obtains its standard 70 percent of the 400 seats. The lists of candidates for all three parties must be approved by Suharto before the election. The DPR has never proposed a

single draft law to the executive.

Projecting an image of familial harmony, Suharto has made much of the official state ideology, the "Pancasila," or five principles. Contrary to apologists at home and abroad who suggest that the Pancasila reflect a distinctly Indonesian political and cultural form, Ariel Heryanto, the political scholar, counters that "the image of familial harmony is deployed to justify the systematic suppression of any expression of grievances and political conflicts." In his 1995 Independence Day address to the nation, Suharto justified the expulsion of two outspoken members of parliament, the rounding up of activists and journalists, and continued violence against unarmed civilians in East Timor (which Indonesia invaded in 1975) by reminding his fellow Indonesians that only "responsible openness" would be tolerated.

Censorship and surveillance are the norm in Indonesia. In June 1994 the government banned three major weeklies, two of which were the most prominent

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in the country. All mass media, educational institutions, religious rituals, and artistic productions are monitored and policed for evidence of dissent. As the director of a student production of "Fiddler on the Roof" at Gadjah Mada University in 1983, I was compelled to submit a translation of the musical to the local police (needless to say, we rewrote the revolutionary Russian youth as an Indonesian freedom fighter against the Dutch). The Indonesian students accepted such requirements as routine.

Even the United States government, which has backed Suharto unflinchingly since he ousted Sukarno, admits that Indonesia's economic development has been marred by political repression, corruption, wide disparities in wealth, and pandemic human rights violations. The most recent human rights appraisal by the State Department describes Indonesia as strongly authoritarian, despite a surface adherence to democratic forms.

Clinging to the myth that economic opening necessarily brings political opening, the United States has concentrated most of its efforts on urging the Indonesians to deregulate their economy. But instead of paving the way for democracy, this policy achieves exactly what it is designed to do: it paves the way for business and investors.

BUSINESS AND THE RULE OF LAW

Always wary of risks, investors push for laws, regulations, and institutions that are predictable, stable, and transparent. "I don't think economic development without legal certainty is workable now or in the future," observed Frans Winarta, a leading attorney in Jakarta. "Who wants to invest without it?"

It is true that Indonesia's patron-client system, which turns on access to powerful people in the system, makes doing business a risky venture. Suharto, his wife, their children, and now their children's children have become fabulously rich because of the patronage structure that extends from the president's palace into every sector of the economy. "Deregulation" has put a dent in this system, though not yet at its core. Indeed, when Suharto stood before the world media at the Asia Pacific Economic Cooperation (APEC) summit in Jakarta in 1994 and said Indonesia was committed to liberalization, "many people were surprised," according to Harry Baskara, opinion page editor of the *Jakarta Post*, the country's leading English-language daily. Another observer added, "If Suharto would start by deregulating his family's holdings, most of the job would be finished."

Investors demand access based on market conditions, not favors from officials (unless, of course, they can be sure they're the only ones getting the favors). They also want contracts to be binding and enforceable, which means the courts must be given more power and independence. Under Basic Law 14/1970, control over the courts is in the hands of the Ministry of Justice, which answers only to the president. The

ministry controls the budget of the courts below the Supreme Court, as well as the promotion and transfers of judges, while all appointments and dismissals of judges are made by the president himself.

If deregulation has demonstrated anything, it is that a political-economic system like Indonesia's can respond to demands for reform in a highly focused and partial manner. Indonesians have been hearing about the "era of deregulation" for over a decade. And yet all the change has been concentrated in areas of greatest concern for the most powerful investors or traders. For the average Indonesian, daily contact with the government remains a slow and expensive game of favors and illegal fees and charges.

PROSPECTS FOR CHANGE

Although time is running out for Suharto, the old general has not softened his attacks on democracy and human rights. Joined by Mahathir Mohammed of Malaysia, Lee Kuan Yew of Singapore, Li Peng of China, and other authoritarian leaders, Suharto has been vocal in criticizing the global movement for human rights as neoimperial meddling in the internal affairs of sovereign nations. With cultural references of the "familial harmony" variety, Suharto argues that Western human rights do not fit with Indonesia's preference for consensus and deference to the group over the individual.

As the United States and other procedural democracies recoil from these attacks, it is worth asking if authoritarian leaders in Asia or elsewhere can be legitimate spokespersons for the societies they repress. Claims by these leaders that basic, individual human rights are alien to their societies give foreign governments with lukewarm commitments the reasons they need to back off. They also cast domestic activists as unpatriotic, foreign dupes who seek to implant institutions and practices that are inconsistent with local traditions.

There are several problems with this line of reasoning, not least of which is that nearly *all* the institutions these leaders oversee are imports from abroad—from the market economy to the structure of the government bureaucracy and armed forces. It is disingenuous to embrace these institutions and practices while proclaiming those embodied in basic human rights as alien.

The shrill protests coming from Asia's authoritarian leaders suggest that the dispute over human rights is not primarily between nations, or even between East and West, but rather within them. It would be simple to undermine pressures for rights and democracy if they came mostly from abroad. But it is the decidedly indigenous nature of the struggles, allied with governmental and nongovernmental actors abroad, that gives dictators cause for genuine alarm.

The biggest problem for Suharto and his friends is that they are determined to speak on behalf of populations who are determined to speak for themselves. ■

The bloody geopolitical muddle that was Kampuchea is now promoted as democratic Cambodia. Steve Heder critiques the process that led to the current regime in power; he cautions that "political democratization is being reversed and delayed by a political elite subscribing to a stated or unstated neoauthoritarianism."

Cambodia's Democratic Transition to Neoauthoritarianism

STEVE HEDER

Since Cambodia began to emerge from French colonial rule in the 1940s, three claims of qualification to rule have persisted beneath various political forms. The first—personified by Norodom Sihanouk—has been royal descent bestowing the title of *sdech*: "king" or "prince." The second has been acquisition through formal education of the status of *neak cheh-doeng*: a "person with know-how and knowledge." The third has been obtaining the appellation of *neak tâ-sou*—a "person of struggle"—through participation in armed insurgency.

Cambodian political history has been punctuated by the successive efforts of *sdech*, *neak cheh-doeng*, and *neak tâ-sou* to construct and impose on Cambodia internationally inspired state models that are in reality shot through with modes of domination, the roots of which are mainly indigenous (most notably in the form of patron-client relationships). The result has been a dialectical process of mutual interaction and transformation in which the international forms have tended toward formal victory but the underlying reality has remained much more ambiguous.

For 16 of the 20 years since the end of the Second Indochina War in 1975, the foreign models were two variants of communism: the first Chinese-inspired, the second Vietnamese. However, by the terms of the Paris Peace Agreements, signed in 1991 by Cambodia and 18 other countries, the model has become a "system of liberal democracy" providing "for periodic and genuine elections." According to the constitution promulgated in 1993 after constituent assembly elections organized by the United Nations Transition Authority in Cambodia (UNTAC), Cambodia is now "relying on a multiparty

democratic system" to ensure the country's "perpetual advance to progress, prosperity, affluence and glory."

Behind this façade the inspiration for Cambodian politics has shifted from the Western variant of "democracy" to an East and Southeast Asian one that emphasizes "prosperity" rather than "pluralism." In the name of political stability and economic development, as well as in order to fight a lingering and murderous insurgency, the country's current "multiparty" ruling elite coalition of *sdech*, *neak cheh-doeng*, and *neak tâ-sou* has been working to dampen open political contestation and to deliberalize the political atmosphere by co-opting, cowing, or marginalizing contesting centers of power, including those that emerged from civil society as a result of the openings effected by UNTAC pursuant to the Paris Agreements.

Thus, political democratization is being reversed and delayed by a political elite subscribing to a stated or unstated neoauthoritarianism that constitutes a middle ground on which leaders who were previously at war with one another have now met and are attempting to consolidate power. The immediate future will see the "slow death" of the democratization process that was promoted by the UN during 1992 and 1993.

Whatever its external forms, the real political system incorporates elements of a neopatrimonial autocracy reminiscent of that instituted by Sihanouk, in which a *sdech*'s personalized rule maintained a regime based on interlocking pyramids of patron-client networks that kept the *sdech*'s subjects in place and provided rewards to loyal followers. Its institutional substructure is directly descended from one built primarily by *neak tâ-sou*, who relied on bossism and political labeling to construct and promote their own client networks, and whose experiences made them relatively prone to resort to violence to achieve their ends. Finally, its uppermost reaches are increasingly staffed by *neak cheh-doeng* emerging from two decades of communist rule to promote themselves as paternalistic guardians of a hierar-

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chical system in which power is held by "a minority of persons who are specially qualified to govern by reason of their superior knowledge."¹

Such developments should come as no surprise. Cambodia's democratic transition resulted from a process in which a diluted Leninist regime remained in place but gave political space to formerly armed opposition groups because of foreign intervention. The negotiations themselves and their results were forced on conflicting Cambodian elites by foreign powers operating through the UN. They were imposed in a context of minimal social and cultural democratization on a society characterized by a combination of highly restrictive and repressive modes of domination with low levels of social organization. The economic growth and social transformation that could lead to pressures for political democratization were strikingly absent.

UNTAC's intervention created conditions in which facsimiles of the elements of civil society played a disproportionate and temporarily precocious political role alongside other political forces originally organized on communist or guerrilla lines. However, the liberalization and democratic transition overseen by UNTAC was fraught with violence, reflecting the general refusal of elite culture to recognize the legitimacy of difference and opposition. Widely shared among sdech, neak cheh-doeng, and neak tâ-sou, this culture combines doctrines of developmentalism and an exclusivist "Khmer" ethnic nationalism with exaggerated cries that the "nation" is in danger. It has denied political rights to Vietnamese and Chinese, demanded that other ethnic groups consider themselves Khmer, and justified the repression—to the point of physical extermination—of Khmer deemed no longer to be Khmer because of elite fears about threats they pose to the existing political order and development strategy.²

FROM COMMUNISM TO DEMOCRATIC TRANSITION

The Khmer Rouge Communist Party of Kampuchea (CPK) that seized power in 1975 was based on a cadre structure that amalgamated neak tâ-sou—whose history of struggle dated to the era of the Khmer Issarak movement against the French—with more recent recruits among neak cheh-doeng, who had been produced by the postindependence education system cre-

ated under Sihanouk before his overthrow in 1970. Under the leadership of Pol Pot, the CPK espoused a particularly virulent form of ethnic nationalism and pursued a developmentalism that took the form of an accelerated "great leap forward" into socialism. It required the evacuation of urban populations, the transformation of neak cheh-doeng into peasants and peasants into proletarians, and the forced assimilation of non-Khmer. It resulted in the execution of hundreds of thousands of people who failed to change and caused perhaps a million deaths from starvation and disease. Rather than recognize this, Pol Pot accused the apparatus that had brought him to power of sabotage and treason, and launched a series of massive purges within the party that alternatively targeted neak cheh-doeng and Khmer Issarak neak tâ-sou cadre, all of whom were accused of being agents of foreign powers.

Pol Pot's Khmer Rouge regime, known as Democratic Kampuchea (DK), collapsed after Vietnam launched a large-scale invasion in late 1978 in reaction to armed raids into Vietnam that had been ordered by

Pol Pot. In its place the Vietnamese established the People's Republic of Kampuchea, modeled on a modified version of Vietnam's bureaucratic socialism. The PRK initially relied on a small group of former Issarak neak tâ-sou who had spent most of their lives in Vietnam and on former CPK cadre who had fled to Vietnam to escape Pol Pot's purges of neak cheh-doeng "petty bourgeoisie" neak cheh-doeng elements and veteran Issarak (the last two groups claimed neak tâ-sou status by virtue of their service to the CPK and then their involvement in its overthrow).

The PRK was built from the top down by recruiting Cambodians strongly opposed to the return of the DK regime, including noncommunist neak cheh-doeng who had been civil servants before 1975. Although many of these joined the Revolutionary People's Party of Kampuchea (RPPK) that the neak tâ-sou organized to function as a ruling communist vanguard, most did not fully accept the socialist and proletarian internationalist tenets it espoused. Personal and patron-client relations grew to count for at least as much as doctrinal purity; the dilution of ideological pretensions was symbolized by the regime's decision to change its name to the State of Cambodia in 1989.

Along the way the former Issarak who had returned to Cambodia from prolonged exile faded from political prominence as their Vietnamese patrons withdrew from the scene, leaving these returnees crippled by a lack of nationalist legitimacy and locally rooted client networks. In their place rose former CPK cadre from old Issarak peasant families whose "revolutionary seniority" compensated for their lack of neak cheh-doeng credentials. By 1991 they were grouped around Chea Sim,

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¹Robert A. Dahl, *Democracy and Its Critics* (London: Yale University Press, 1989), p. 52.

²Penny Edwards, "Imaging the Other in Cambodian Nationalist Discourse Before and During the UNTAC Period," in Steve Heder and Judy Ledgerwood, eds., *Propaganda, Politics and Violence in Cambodia* (Armonk, N.Y.: M. E. Sharpe, 1995).

who in that year became chairman of the Cambodian People's Party (CPP), the name adopted by the RPPK when it officially abandoned Marxism-Leninism. However, within this shift another was taking place that brought into prominence Hun Sen, the long-time post-Pol Pot prime minister who was named CPP vice chairman.

A former secondary school student who had been recruited into the CPK only after the overthrow of Sihanouk, Hun Sen had been forced to flee to Vietnam in 1977 in the midst of the internal CPK purges. In the late 1980s, Hun Sen tried to create political space within the regime for his growing kitchen cabinet of neak cheh-doeng clients. Perceived by some as a "reformer," he was no liberal in terms of temperament or political philosophy—nor were many of the neak cheh-doeng who surrounded him. While they mitigated the power of some of the regime's rougher neak tâ-sou, who came to dominate its political security forces, they also internalized some of its commandist norms.

In 1982 the PRK's armed enemies formed the Coalition Government of Democratic Kampuchea (CGDK), which was unified on the basis of anti-Vietnamese Khmer ethnic nationalism. Its three organizationally separate constituents included DK regime remnants; the Khmer People's National Liberation Front (KPNLF); and the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia (FUNCINPEC). The KPNLF brought together pre-1975 neak cheh-doeng with neak tâ-sou who had originally led small anti-DK regime insurgent movements based along Cambodia's border with Thailand. FUNCINPEC was founded by Sihanouk and based initially on movements led by neak tâ-sou who believed that the salvation of Cambodia depended on returning the sdech to power. By the time of the Paris Agreements, the KPNLF had split into two amid conflict between its neak cheh-doeng and neak tâ-sou leaders. Leadership of FUNCINPEC had meanwhile been taken over by a son of Sihanouk, Prince Norodom Ranariddh, a sdech with impressive French academic neak cheh-doeng credentials. Ranariddh eventually replaced many of FUNCINPEC's original leaders with more neak cheh-doeng elements, mostly Western-educated, who were prepared to follow his royal lead, although he retained several loyal neak tâ-sou who had demonstrated extraordinary military and organizational capabilities.

PREELECTION STRATEGIES

Under the Paris Agreements, UNTAC was to demobilize or disarm the armed forces of the State of Cambodia, the DK regime, FUNCINPEC, and the KPNLF; take "direct control or supervision" of the political administrative structures they had put in place; liberalize the country's political climate by "fostering an environment in which respect for human rights [would] be ensured"; and then organize "free and fair elections."

Pol Pot had agreed to the accords with the hope that their provisions for the neutralization of the State of Cambodia and demobilization of its army by UNTAC could be bent and stretched so as to sweep aside his enemies and thus allow the DK regime to advance politically. When this did not happen, the DK regime rejected the peace process. At the urging in particular of surviving veteran Issarak neak tâ-sou, it resumed a full-fledged armed struggle against the State of Cambodia and tried to disrupt the elections, which resulted in many deaths but had little other effect.

Immediately after the Paris Agreements, Sihanouk and FUNCINPEC tried to strike a deal with the State of Cambodia for a preelection administrative coalition that they hoped would transcend UNTAC's elections and ensure FUNCINPEC's place in the postelection government by predetermining the results. The scheme broke down after the Cambodian People's Party orchestrated a mob attack on DK regime representatives and violently repressed demonstrations against State of Cambodia corruption. The CPP then made a mockery of UNTAC efforts to establish a neutral political environment, flaunting UNTAC's mandate by blatantly using the State of Cambodia's political administration to enhance its electoral chances and covertly organizing vigilante groups known as "reaction forces" to harass and sometimes kill FUNCINPEC activists.

Ranariddh's FUNCINPEC still managed to run a vigorous campaign, as did the Buddhist Liberal Democratic Party (BLDP), an offshoot of the KPNLF. The main question put before voters was whether to reestablish political peace or to continue political conflict. FUNCINPEC stood on a platform of returning Sihanouk to power and acting as a bridge between the Cambodian People's Party and the DK regime in order finally to end decades of violence. The Buddhist Liberal Democratic Party ran a vehemently anti-CPP campaign, accusing it of remaining a Vietnamese stooge.

The CPP's rhetoric was relentlessly militant. It promised continued struggle not only against Pol Pot's Khmer Rouge but also against FUNCINPEC and the BLDP, which it alleged were mere fronts for Pol Pot and behind a serious crime wave that had accompanied the erosion of State of Cambodia control brought about by the Paris Agreements.

FUNCINPEC nevertheless won a stunning victory in the May 1993 constituent assembly elections, taking 45 percent of the popular vote. The Cambodian People's Party came in second with 38 percent, and the Buddhist Liberal Democratic Party was third with 4 percent.

POSTELECTION JOCKEYING

Sihanouk, who had been convinced the CPP would win, tried to broker a political deal by giving the CPP an equal share of power with FUNCINPEC in an interim government over which he would preside. This collapsed when FUNCINPEC demanded its victory be honored. The

CPP then staged a "secession" of several provinces to protest the election results. With the CPP threatening "civil war" against FUNCINPEC, Ranariddh accepted the Sihanouk formula. This was confirmed when the interim government was transformed into a Royal Government after the constituent assembly promulgated a constitution in September 1993, which made Cambodia a constitutional monarchy with Sihanouk as king and ended the UNTAC mandate.

Ranariddh and Hun Sen have since served as "first prime minister" and "second prime minister," respectively, and ministries and provincial governorships have been shared equally between FUNCINPEC and the CPP. At lower levels, however, the CPP remains overwhelmingly in control of the administration. Meanwhile, FUNCINPEC has abandoned its key election promises. Despite the fact that—and because—the popular vote suggested that the largely peasant electorate saw Sihanouk as a potential protector against the ravages of the state, Ranariddh has joined with Hun Sen in attempting to curtail the monarch's interventions in national political affairs. Ranariddh also accepted the CPP position on fighting the Khmer Rouge, a shift that Sihanouk unsuccessfully tried to oppose. The way in which FUNCINPEC reversed course without any pretense of consultation with or explanation to its membership and the electorate demonstrated Ranariddh's readiness to disregard them.

Indeed, FUNCINPEC and the CPP abandoned their mass memberships after the elections, apparently viewing them not as a source of political strength but as a potential constraint. Ranariddh and Hun Sen have also purged their parties of voices that were critical of their joint actions and threatened to act as magnets for discontent. In mid-1994, after tactically foolish Royal Government attacks on the DK regime had resulted in several serious military defeats, hard-line CPP security cadre of neak tâ-sou associated with Chea Sim began looking for support to depose or at least diminish the role of the two prime ministers. Hun Sen used FUNCINPEC forces to arrest the plotters after they allegedly attempted a coup. Later in the year, Ranariddh sacked his FUNCINPEC minister of economy and finance, Sam Rainsy, a politically rambunctious neak cheh-doeng whose zealous pursuit of fiscal reform threatened many CPP vested interests and whose outspoken advocacy of a political solution to the DK regime problem deeply antagonized both prime ministers. He was later expelled from FUNCINPEC and illegally removed from parliament.

Sam Rainsy's ouster was part of a larger, broadly successful effort to prevent parliament from becoming a representational institution and to transform it into a state appendage. Only a few FUNCINPEC and BLDP parliamentarians have withstood the pressures and continue to question Royal Government policies and actions, and they live under constant threat of removal

from the assembly or worse. The assassination last year of two journalists whose reporting had criticized Ranariddh and close associates of Hun Sen suggested that dissent could be punished by death. Legal means have also been used to rein in media criticism of the regime. Restrictive provisions from previous legislation have been used to arrest and sentence journalists to prison terms, and a new press act passed in mid-1995 prohibits the publication of material adversely affecting "national security or political stability." The Royal Government has furthermore been able to mute some Cambodian human rights and other nongovernmental organizations that had dared to speak out critically in the immediate post-UNTAC period.

Although they overpower civil society, state political institutions remain weak, lacking the autonomy and capacity to act against the personal interests of the sdech, neak tâ-sou, and neak cheh-doeng-led networks that dominate the CPP and FUNCINPEC. In the CPP these factions appear to be increasingly those of Hun Sen and his network of neak cheh-doeng; such elements also have the upper hand under Ranariddh in FUNCINPEC. Despite a long history of tensions between Hun Sen and Chea Sim, the latter appears prepared to accept this evolution and has even begun to mimic it by developing his own network of mostly Western-educated neak cheh-doeng from former KPNLF circles.

All opposition is excoriated by reference to the usual corollaries of a constitutionally reinstated ethnic nationalism. (The constitution suggests that only "Khmer citizens" should enjoy full human rights guarantees.) Dissent is equated with support for the nation-destroying Pol Pot and is said to be antithetical to nation-saving development. Hun Sen has implied that those who criticize him and Ranariddh consist of a "pro-Khmer Rouge group, Khmer Rouge sympathizers, and those who would use the Khmer Rouge as a counterweight to achieve their objectives." Ranariddh has likened "preachers" of Western-style democracy to Pol Pot, and has warned that following their false promises and exaggerated idealism might lead to Cambodia "being wiped [off] the face of the earth." He says that Cambodian democracy must first and foremost be "food for the people's stomachs, shelter, education, medical facilities, and basic amenities."

Thus, while the Royal Government extols "democracy" as a way to ensure "national survival," it is increasingly practiced not as a system of periodic political contestation through elections, but as power-sharing by formally separate political organizations whose leaders are determined to prevent open debate—all in the name of socioeconomic development through the integration of Cambodia into the world capitalist system.

Just how successful this most recent version of developmentalism will be is open to question. Successive international conferences between 1992 and 1995

pledged \$2.3 billion in aid for Cambodia, but less than 60 percent has been disbursed. Similarly, although the Royal Government has claimed that foreign firms made commitments of \$2.5 billion in the year after an investment law was passed in 1994, project implementation remains slow. Moreover, much of the investment is tied to casino building and logging deals of questionable developmental value that appear to threaten the country's moral and natural environments.

Behind the scenes, Cambodia has become a haven for money laundering and other narcoeconomic activities, which has precipitated scandals implicating the national bank. Persistent allegations of corruption include claims that graft is devouring amounts equivalent to one-fourth to one-half the national budget, almost half of which is derived from foreign aid and is heavily burdened by defense and security expenses. As David Ashley recently concluded in the *Phnom Penh Post*, the Royal Government's approach has so far brought about "little progress in...constructing sectoral or regional development plans in which private investment or foreign aid could be systematically incorporated," and it is unlikely to guarantee "balanced and sustained rural development, social justice, [and] environmental protection." Thus, while the influx of aid and investment has provided sufficient glue in terms of budgetary support, economic growth, and kickbacks to help cement cooperation among Ranariddh, Hun Sen, and Chea Sim, the three may not be able to deliver on their promises of development.

AN AUTHORITARIAN FUTURE?

As long as Ranariddh, Hun Sen, and Chea Sim do not mobilize their client networks to engage in open conflict, they may be able jointly to maintain their position against all comers. But the situation could come apart, especially if the money politics pie does

not continue to grow and be divided in a manner that satisfies the desires for private wealth accumulation in all three networks. Existing alongside these "factional" cleavages are tensions between the neak cheh-doeng and neak tâ-sou and the possibility of intervention by sdech Sihanouk. Although the integration of Cambodia into the world capitalist economy and international technocracy will tend to consolidate and accelerate the political gains being made by the neak cheh-doeng in the CPP and FUNCINPEC, neak tâ-sou in both parties still hold powerful posts in the regime's military and other security and grassroots organizational apparatuses. The possibility of a backlash from neak tâ-sou quarters leading to the replacement of current arrangements by something much more overtly repressive and authoritarian cannot be ruled out.

Meanwhile, no viable democratic alternative exists. Underlying the calls for democracy and human rights that have been made by Sihanouk, Sam Rainsy, and a few other prominent figures in their criticisms of the Royal Government are deeply illiberal, antidemocratic, and antipluralist tendencies. If these critics were in power and faced the kind of opposition to which they are subjecting Ranariddh and Hun Sen, they would almost certainly react as intolerantly.

If the Norodom Ranariddh–Hun Sen–Chea Sim deal holds, elections will probably take place as scheduled in 1998, but they are unlikely to result in any alternation in power—that is, in a loss of power by the CPP or FUNCINPEC. The two groups may form a single party in advance of the voting, run on a joint-slate basis, or make some other arrangement ensuring that they will both be maintained in power through the electoral process. Those opposed to such a situation will be denied access to power, marginalized, co-opted back into the power structure in return for silence, or subjected to outright and violent repression. ■

"Overall, how is one to assess the relative degrees of continuity and change on the Philippine political scene? New faces have emerged in recent elections, leading some to see a challenge to the dominance of 'traditional politicians'—often disparagingly referred to as *trapos* (or 'dishrags'). In the midst of change, however, much remains the same."

Unraveling the Past in the Philippines

PAUL D. HUTCHCROFT

Fidel Ramos's six-year term as president comes at an important time in Philippine history. A mere five months after Ramos assumed office in June 1992, the United States departed from its Philippine military bases, effectively undermining a colonial and postcolonial "special relationship" that dated back to Admiral George Dewey's triumphant entry into Manila Bay in 1898. This new post-bases, post-cold war world poses daunting challenges to the foundations of Philippine politics and political economy. The Philippines can no longer depend on outside support to guard against foreign threats, ensure national territorial integrity, and guarantee rescue from recurring balance-of-payments difficulties; nor can the Philippine oligarchy rely on external support to continue to finance its domestic hegemony. The deal cut at the turn of the century, which wed the interests of the United States to those of the major oligarchic families of the Philippines, has at last come unraveled at century's end.

UNCAGING THE PHILIPPINE TIGER

To meet the challenges of this new era, the Ramos administration has focused its efforts on the realm of political economy, where it has displayed new perceptions of the Philippines' place in the world and a clear sense of the country's weakness in competing effectively in international and regional economies. Perhaps the freshest initiative has been attacks on the major oligarchic family firms that have long had a stranglehold over key segments of the national economy. As Ramos declared at the outset of his term, the Philippine economic system "rewards people who do not produce at the expense of those who do... [and] enables [those] with political influence to extract wealth without effort from the economy"; the political dominance of oli-

garchic groups, he explained later, is "the reason why the Philippines has lagged so far behind the East Asian tigers." Anticartel measures are already credited with promoting greater degrees of competition in the formerly moribund and inefficient telecommunications and shipping industries, and have begun to confront the intractable banking system as well.

These attacks on cartels and monopolies are part of a larger program of economic liberalization and infrastructural development the Ramos administration is deploying under the banner of "Philippines 2000"—a rallying cry to join the ranks of the newly industrializing countries by the end of the century. Trade liberalization, long a priority of local technocrats, the International Monetary Fund, and the World Bank, has also been encouraged by Philippine participation in the Asia Pacific Economic Cooperation (APEC) forum, the General Agreement on Tariffs and Trade, and the free trade area of the Association of Southeast Asian Nations (ASEAN) known as AFTA. Foreign exchange and foreign investment have also been liberalized, and many major firms have been at least partially privatized. Finally, Ramos is credited with ending the crippling power shortages that had deprived Manila and other areas of electricity for as long as 8 to 12 hours a day in 1992 and 1993.

By 1994 the Philippine economy had achieved a 5.1 percent annual growth rate—modest in comparison to its Southeast Asian neighbors but a tremendous improvement over the low and even negative annual growth rates experienced late in the administration of Ramos's predecessor, Corazon Aquino. Growth rates for 1995 are projected to be in the range of 5.5 to 6.2 percent. Government economists emphasize that current patterns, unlike those in earlier years, are driven not by external debt and aid but by investment and growth. Furthermore, the growth extends far beyond Manila to include major new regional centers such as Cebu and General Santos City in the south. The recent assertiveness of an innovative group of exporters provides some hope that the diversified conglomerates of

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the major oligarchic families, nurtured by favorable access to the government, may at last be challenged by new entrepreneurial elements able to thrive without special privileges.

THE ARBITRARY STATE?

Ramos's "Philippines 2000" represents the first major strategic vision to be promulgated since the early years of Ferdinand Marcos's martial law regime in the 1970s. The rhetoric employed by the eclectic team of advisers supporting this program is an occasionally incongruous combination of advocacy of a "strong state" (to combat oligarchic dominance and emulate the developmental patterns of Asia's newly industrializing countries) and the more conventional "minimalist state" prescriptions of American-trained technocrats and multilateral institutions (to curb state regulation and promote market solutions).

The upturn of the past two years, however, should not obscure the obstacles to sustained economic growth and development. Unfortunately, it is questionable whether government institutions can provide the necessary political foundations required even by a "minimalist" state role in economic transformation. Advocates of "free market" approaches tend to agree that governments have an important role in helping to create a level playing field upon which entrepreneurial activity can flourish. The Philippine government has often had difficulty providing such basic foundations—whether supplying electricity and other vital infrastructure, protecting communities from rapacious loggers, arbitrating business disputes, or providing even-handed regulation of the financial system. In assessing the role of the government in the economy, one can say not only that it has been unable to emulate the strong developmental guidance provided by the skillful and powerful governments of the East Asian newly industrializing countries but that, more fundamentally, it has also been unable to provide the even more basic legal and administrative underpinnings necessary for "free market" capitalism.

Proponents of liberalization assert that such measures will curb overly intrusive governments and lay firmer foundations for private sector initiative. In the Philippine context, however, big government and a shortage of private sector initiative have never been the major ills plaguing the political economy. First, the problem in the Philippines is not the extent but the quality of government intervention. The Philippine government has a small share of the country's GNP relative to that found in other countries in the region. Cutting back the role of the state is not sufficient; the quality of the state must also be improved. Moreover, the World Bank has repeatedly expressed concern about the country's tax collection effort; as a proportion of GNP, Philippine tax collection lags far behind that of its more economically successful neighbors. Second,

there has never been any shortage of private sector initiative in the Philippines, where access to the political machinery—whether headed by a democratic or an authoritarian regime—has long been the major avenue to private accumulation, and the quest for subsidies, tax breaks, licenses, and other opportunities brings a stampede of favored elites and would-be-favored elites to the gates of the presidential palace. Merely cutting back the role of government through a program of liberalization does not ensure an improvement in the quality of government services or a reduction in the power of the oligarchy.

Business leaders, in fact, see insufficient government attention to problems such as poor infrastructure and crime as among the greatest obstacles to sustained economic growth; they have recently warned that unless the government provides greater infrastructural support, growth could level off. In many parts of the country a combination of neglect, environmental degradation, rapid population growth, and natural disasters has strained infrastructure to the breaking point. Administration initiatives to promote major infrastructural projects and curb environmental degradation and population growth are often dwarfed by the magnitude of the problems being addressed. Most recently, rice shortages and concomitant inflationary pressures have refocused attention on infrastructural deficiencies and low productivity in the agricultural sector.

Given that the current chief executive headed up the Philippine constabulary under Marcos and the entire national defense establishment under Aquino, it is ironic that the greatest crisis of confidence in the Ramos administration comes in the area of "law and order." Business leaders warned the administration this September that the persistence of "the twin problems of kidnappings and bank robberies" undermines investor confidence and reinforces "the perception that the government is helpless in alleviating the situation." Highly publicized kidnappings of foreign businesspeople sapped investor enthusiasm in the Aquino years, and since the early 1990s there have been several dozen kidnappings every year—often targeting Chinese-Filipino businesspeople and their families. The gangs, commonly protected by ranking members of the police, have in some cases been composed of former military intelligence operatives. Indeed, so-called hoodlums in uniform and hoodlums in robes have provoked widespread public cynicism of both the law enforcement and judicial systems. Responding to business pressures, Ramos has acknowledged that crime is eroding "our political stability and the consequent economic gains," and personally took over the role of "anticrime czar" from Vice President Joseph Estrada, a flamboyant former movie star who proved more effective fighting crime on screen than in real life.

Overall, it is difficult to instill long-term investor

confidence when a high degree of arbitrariness often reigns in the political and legal spheres and kidnappings plague the business community. Until there is greater attention to these underlying institutional constraints, much of the current liberalization program will rest on less-than-secure institutional and political foundations. Building such foundations is a difficult and protracted process, and can only succeed with a combination of effective leadership from the top and the emergence of new forces from below that are able to challenge the economic oligarchy. Ramos has begun to supply more effective leadership, but there is as yet little evidence of a social coalition strong enough to support reform measures over the long term.

POLITICS: THE SEARCH FOR STABILIZATION

The 1992 presidential and congressional elections were widely believed to show that democratic institutions were consolidating themselves in the post-Marcos era; moreover, the 1995 congressional elections involved former coup plotters that have chosen "electoral struggle" to achieve political power and goals. Most notably, former Colonel Gregorio Honasan, whose renegade military band threatened the Aquino administration with several unsuccessful coup attempts in the late 1980s, is now a new member of the Philippine Senate.

As threats of insurgency subside in most of the country, the current leadership enjoys a degree of overall political stability not seen since before the tumult of the 1980s. The once-powerful Communist Party is but a shadow of its former self; bitter internal differences had by late 1992 split the party and its New People's Army (NPA) into openly feuding camps. While the party first encountered major problems adjusting to new modes of struggle after the fall of the Marcos dictatorship in 1986, important Ramos administration accommodationist policies—the legalization of the party, amnesty to "rebel returnees," and extensive negotiations with the Communist-backed National Democratic Front—seem to have been successful both in encouraging further defections and exacerbating intraparty struggles over strategy. By 1993, internal feuds, defections, and government military drives made the NPA a marginal force in all but a few outlying provinces.

The Ramos administration's initial optimism regarding the dwindling strength of the Muslim secessionist movement, however, seems entirely unfounded in light of more recent developments. Proclamations of success were based on the government's 1992 cease-fire agreement and ongoing peace negotiations with the Moro National Liberation Front, formerly the dominant element of the secessionist struggle. The MNLF's official departure from the battlefield, however, was accompanied by the simultaneous strengthening of other secessionist forces, not only breakaway groups from the

MNLF, but also the Moro Islamic Liberation Front (or MILF, which split from the MNLF in 1978) and the Abu Sayyaf Group (reportedly including veterans of the Afghan wars).

While the precise links among these various groups remain a source of considerable speculation, their military capacity was clearly demonstrated in the April 1995 ransacking of a town in western Mindanao. Officials blame the Abu Sayyaf Group for the attack, as well as for a host of recent kidnappings and bombings on Mindanao. The strongest secessionist group, however, is the MILF, whose large standing army (estimated to be 35,000-45,000 strong by Western intelligence officials, although the MILF itself claims to have 120,000 soldiers) and solid base in west-central Mindanao make it quite capable of contesting Manila's control of large chunks of the country.

Electoral and legislative politics are often no less predictable, but the Ramos administration has at points achieved striking success in building wider bases of legislative and popular support. Despite winning just under one-quarter the votes in 1992, President Ramos has skillfully used old-style political maneuvering to forge a multiparty "Rainbow Coalition" of support in the House of Representatives. Ramos's Lakas-National Union of Christian Democrats (Lakas-NUCD) won only 41 of 206 seats in the 1992 elections, but through wholesale switching of parties (called "turncoatism" locally) claimed 112 seats by mid-1993; the Rainbow Coalition thus came to comprise nearly three-quarters of the House. Cordial relations between the House and the presidential palace are nurtured by programs that provide representatives with large discretionary funds for use in their home districts; in exchange Ramos has enjoyed solid House support for important parts of his economic reform program. The 1995 elections handily confirmed the dominance of Lakas-NUCD and its Rainbow Coalition.

Unfortunately for Ramos, relations with the Senate have not proceeded as smoothly. The opposition Laban Demokratikong Pilipinas (LDP) won a majority of the Senate's 24 seats in the 1992 elections, and the body soon found itself accused of "obstructing" important administration measures of economic reform. Ramos managed to engineer a solution in late 1994, when his Lakas-NUCD forged a coalition agreement with the LDP (described by Ramos as not a "temporary union of inexperienced virgins," but denounced by one Manila newspaper as "a get-together of aging tarts and incompetent harlots"). The coalition emerged victorious in the elections this year: of the 12 seats contested, the Lakas-NUCD-LDP coalition won 9. Ramos's bloc boasted 21 of 24 seats in the Senate, 14 of which were LDP.

Within months, however, this very tenuous coalition of weakly institutionalized political parties fell apart amid an August 1995 "coup" against Senate president Eduardo Angara. The realignment had almost no

relation to previous party affiliation and—despite charges of presidential manipulation—seems to have been motivated far more by personalistic internal squabbles than by larger political issues. Some commentators interpret the “coup” as a power grab by Ramos against Angara (prior to his fall a leading contender for the presidency in 1998), but it is difficult to see how Ramos will derive much benefit from the rapid disintegration of his new political coalition and resulting inattention to his legislative priorities. In any case, it is now obvious that, almost a full decade after the restoration of elite democracy, party structure continues to be weaker and more volatile than it was in the pre-martial law era.

BEYOND THE TRAPOS

Since the fall of the Marcos regime, there have been so many realignments of Philippine politics that one finds former Marcos associates and opponents strewn throughout the party structure, often relating to each other with little regard to former “pro-democracy” versus “pro-Marcos” political fault lines. Nonetheless, memories of martial law remain an emotional element in current debates over possible revision of the constitution from a presidential to a parliamentary form of government. Since the administration first broached the idea in 1993, it has won far more support in the House than in the Senate, many of whose members see it as an attempt to abolish that chamber. More generally, there are widespread fears that Ramos and his congressional allies want to use charter revision to circumvent constitutionally imposed term limits and extend their time in office. Because Marcos employed the same strategy to legitimate his prolonged tenure as chief executive in the early 1970s, prevailing political discourse in the Philippines often associates a shift to a parliamentary form of government with the advent of authoritarianism. Opinion polls have consistently shown little support for such a constitutional revision.

Tabled for lack of support, discussion of constitutional revision by the administration and its allies in the House has since resumed in the wake of the 1995 elections. The National Security Council's draft parliamentary charter contains provisions widely denounced as authoritarian, but other versions of parliamentary government based on a party-list system and proportional representation are favored by forces seeking to promote parties more attentive to issues than personalities and to give greater political voice to those long marginalized by the elite-dominated electoral system. In the midst of this debate, Ramos has promised to step down from his post at the end of his term, on June 30, 1998, but many still doubt his intentions. Fears of the

administration's “authoritarian” sympathies are nurtured by Ramos's central role in Marcos's martial law regime, the frequent appointment of retired military officers to important government posts, and recent statements by top officials promoting emergency powers, curfews, checkpoints, a national identity card system, and restrictions on defendants' rights.

Much of the “get-tough” talk from Ramos and his advisers comes in response to the problem of rampant crime—which, as discussed earlier, is perceived as a major threat to the economy's recent rebound. The resolution of the crisis has become a major test of the administration's political credibility. Over the past 12 months, Ramos's popularity has been undermined not only by the crime problem, but also by a range of other concerns, including fears of authoritarian tendencies, inflation (and closely related rice shortages), and problems overseas. An especially contentious issue in Philippine politics is the price of oil, still regulated and often priced so low that government subsidies are a serious drain on the Treasury. Here a commitment to

liberalization promises to heighten inflation and the political woes of Ramos, who was already forced by popular pressure to reverse an oil price increase in 1994—and now finds himself in a major quandary over the issue.

Overall, how is one to assess the relative degrees of continuity and change on the Philippine political scene? New faces have emerged in recent elections, leading some to see a challenge to the dominance of “traditional politicians”—often disparagingly referred to as *trapos* (or “dishrags”). In the midst of change, however, much remains the same. First, members of well-

established political clans continue to enjoy clear domination of such bodies as the House of Representatives, and elections are still tainted by the power of “gold, guns, and goons.” Second, many so-called new faces often retain strong connections to old centers of power. Third, as part of the new prominence of media appeals, many of the new faces consist of basketball players and movie stars—some of whom continue their careers even as they hold public office. Finally, political parties remain weakly institutionalized. As in earlier eras, personalities and familial power continue to crowd out careful debate of real issues.

FACING FOREIGN CHALLENGES

Not surprisingly, the challenges of the new post-bases era are most evident in the realm of foreign and military policy. As might be expected, these new realities were not immediately apparent as soon as the last American dry-dock was removed from Subic Bay: to a large extent, they did not hit home until the months preceding the elections this May, when two events

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highlighted how Manila's relations with the rest of the world are no longer mediated through its special ties with the United States. First, early this year the Philippines and China reached a new level of confrontation over the Spratly Islands in the South China Sea. When it was discovered in February that the Chinese had built permanent military structures on a Philippine-claimed reef in the island chain, the country's military weakness became more apparent than ever. ASEAN foreign ministers and American officials voiced concern over Chinese actions, but the ill-equipped Philippine military was forced to confront the distinct possibility of additional clashes with the great power to the north.

Second, Philippine public opinion was outraged by the March decision of the Singaporean government to hang a Filipina maid, Flor Contemplacion, who had been convicted of murdering a Singaporean child and another Filipina. Singapore was widely perceived to have framed Contemplacion, and a strong sense of national identity emerged amid anger over the failure of the Ramos administration and the foreign service to provide Contemplacion with proper legal and diplomatic support. She was seen as a symbol of the often beleaguered plight of an estimated 3.5 million Filipino overseas workers, whose remittances are the country's most important source of foreign exchange. The need for intra-ASEAN diplomatic support as a counter to Chinese assertiveness in the Spratlys, however, limited the ability of the Philippines to press its case against a fellow ASEAN member.

When weakness over the Spratlys coincided with the April attack of Muslim secessionist forces in Mindanao, the government could scarcely afford to ignore the country's feeble military capacity. "We have an air force that can't fly and a navy that can't go out to sea," the chair of the Senate committee on national defense and security declared with only slight exaggeration. Indeed, scant appropriations, poor maintenance, and internal corruption have left the military's equipment in a state of advanced disrepair; moreover, past concentration on internal counterinsurgency functions meant little attention was paid to the external realm. Other countries in the region have already devoted considerable planning and resources to military modernization, but the Philippines only began providing new resources for the process this year in the midst of the tensions with China. Over the next five years nearly \$2 billion will be available for military modernization, with priority going to jet fighters, patrol craft, and radar systems. In undertaking this task, Manila will receive far less assistance from Washington than it did in the past; while ties based on a mutual defense treaty endure, United States military and economic aid was slashed by two-thirds when the bases were closed in 1992.

New external challenges, however, are accompanied by new external opportunities. Since the base closings,

Philippine elites have been encouraged to re-think the country's position in Southeast Asia and the world beyond. The decline of American patronage has been an important impetus for the Philippines to pay attention to its neighbors and to regional groupings. Regional investors, moreover, have played a central role in recent surges in foreign investment into the Philippines. There has been greater consciousness of the economic success of other Southeast Asian countries and fear of falling further behind. It is clear that the Philippines will gradually develop stronger links to the region in which it is geographically placed. The benefits from greater interaction will no doubt flow in two directions.

THE ROAD AHEAD

What are the prospects for the major transformation of the Philippines economically and politically? The Ramos administration, well aware of how unproductive patterns of entrepreneurship have caused the Philippine economy to lag behind that of its neighbors, wants to enhance the country's international competitiveness. Many investors, however, wonder whether this commitment to economic reform will be sustained by subsequent administrations.

More fundamentally, the current liberalization program is best viewed as merely a first step in shaking up the old system; over the long term there must be a concerted effort to provide stronger political foundations for sustained economic growth. In an optimistic scenario, one can hope that liberalization will disrupt old patterns of private sector plunder, nurture new patterns of entrepreneurial behavior less reliant on special privileges, and—through the growth of new elements of the business class—create a stronger constituency for those in government intent on creating stronger political foundations for economic growth. Unfortunately, it is also possible that the entire program of liberalization could collapse for lack of solid foundations.

Democratic institutions appear to be consolidating themselves more firmly, yet many sectors of Philippine society remain marginal to the overall democratic process, and decidedly undemocratic forces hold sway in many localities. While much of the country is experiencing a greater degree of political stability, many of the underlying social and economic problems that inspired past political unrest remain unresolved. Finally, the Philippines confronts the international arena with new perspectives, but often without a well-developed institutional apparatus for developing or implementing its goals. New challenges have only recently been given wide recognition, and new opportunities are just starting to be tapped. The Ramos administration has begun to address the new realities facing the Philippines in the 1990s but the ultimate outcome of this decade's politics has yet to be determined. ■

"Rather than moving the nation toward a more progressive democracy, the 1995 elections set back the clock with the reemergence of old-style politicians and money interests."

Thailand's Politics as Usual

CLARK D. NEHER

Continuity has been the defining element of Thai politics in the 63 years since Thailand became a constitutional monarchy. Of course, the Thai political system has changed in the last several decades as new institutions have arisen and co-opted many of the traditional prerogatives of the country's patron-client groupings. Political parties, a parliament, non-governmental organizations, and myriad interest groups all play new roles formerly carried out by personal patron-client entourages. Moreover, as the middle class has grown, as education has reached all sectors of Thai society, as more than 90 percent of the citizenry has become literate, and as the media has found its way to virtually every villager and town dweller through newspapers, radio, and television, Thais have become far more sophisticated about politics than in the past. The traditional values of "knowing one's place" and respect for authority are rapidly being replaced by modern, egalitarian values.

This combination of tradition and modernity has led to a vicious cycle in Thai politics. First, there is a military-led coup, sometimes with a civilian prime minister as front man. Then a new constitution is promulgated. There is an attempt at mixed military and civilian rule as patron-client groups scramble for key positions and resources, but this usually brings conflict and instability. Then another military faction plans another coup to restore stability, and the cycle begins again. This pattern has characterized Thai politics up to the early 1990s, and is still operative despite changing values and new institutions designed to end the pattern.

Since 1992, when the Thai people rose up against the 1991 military coup leaders, Thai politics has featured Prime Minister Chuan Leekpai, leader of an "angelic" coalition of parties ("angelic" parties opposed the February 1991 military takeover and consistently

worked to restore civilian rule, while "satanic" parties supported the military regime). Prime Minister Chuan, whose main goal has been to democratize a corrupt, military-dominated political system, led the country from September 1992 to May 1995, becoming the longest-serving elected civilian prime minister in Thai history. His coalition fell this spring as a result of differences and demands among the ruling political parties that Chuan had tried to settle, and new elections were called for July 2, 1995.

As prime minister, Chuan had suffered the disadvantage of having to work with a bicameral parliament in which the Senate was appointed by the National Peace-Keeping Council (NPKC), led by the man who had carried out the 1991 coup, General Suchinda Kraprayoon. Chuan's majority in the elected lower body, the House, was tenuous and the coalition government eventually fell over several matters, including decentralization, a highly contentious issue in a system long characterized by centralization and the privileges of those in power. When a coalition partner withdrew over alleged governmental mistakes in land reform policy and Chuan substituted a "satanic" party for the disaffected "angelic" coalition partner, many Thais believed that the prime minister had sold his soul.

MR. CLEAN VS. MR. ATM

On May 19, Prime Minister Chuan called for a 44-day period of campaigning for the new parliament. Twelve political parties and 2,300 candidates vied for the 391 House seats. The party with the largest number of victors would be given the first opportunity to form a majority coalition; these parties would then elect the nation's twenty-first prime minister. About 40 million people voted; this included nearly 2 million people as young as 18 who voted for the first time because of a constitutional change lowering the voting age from 20 to 18 after public backlash against the military's shooting of democracy demonstrators in 1992.

Campaign issues were vague because political parties in Thailand generally do not offer platforms or represent particular ideologies. Nevertheless, the candidates

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tended to focus on voter concern about the buying and selling of candidates and votes. Thai politics has long featured candidates moving from one party to another depending on how much competing parties offered them for their services. It is estimated that parties offered up to 5 million baht (\$200,000) to any competing candidate with a good chance of success who would switch parties. Voters were offered 100 to 300 baht (\$4 to \$12) if they promised to vote for particular candidates. Despite denials by all the contestants, official anticorruption organizations presented evidence of massive payoffs.

Other major campaign issues included rural poverty, environmental degradation, Bangkok's notorious traffic, land reform, and bureaucratic inefficiencies. As head of the Democrat Party and as prime minister, Chuan Leekpai was the best-known party leader. His reputation as a man of impeccable honesty ("Mr. Clean"), his stewardship over the vibrant economy, his appointment of professional managers rather than political cronies to oversee the finance portfolio, and his plans to improve education and the agricultural sector were all pluses for the Democrats. However, his reputation as a reactive and plodding leader without *baramee*, or charisma, and his leadership of a party deemed to be complicit in a land reform scandal in southern Thailand, were minuses. Furthermore, his decision to accept a "satanic" party into his coalition undermined his image of integrity.

Another major personality in the campaign was Banharn Silapa-archa, the 63-year-old leader of the Chart Thai (Thai Nation) Party. Party members argued that Banharn would bring new and more effective leadership to the country. They noted his vast experience: a billionaire business executive, he had also served six terms in parliament and had held the posts of minister of agriculture, industry, interior, finance, and transportation and communications. He was promoted as a mover and shaker who could cut through the bureaucratic red tape that had hamstrung Chuan. Because Banharn represented Suphanburi, a rural constituency, he was viewed as someone who understood the average Thai and who was not a part of the Bangkok elite. Indeed, Banharn won more votes than any of the other parliamentary candidates.

Banharn's opponents campaigned that he was corrupt, a close associate of sleazy rural "godfathers" and public figures. He was disdainfully described as "Mr. ATM" to remind Thais that he had bought himself into power. Opponents also noted that Banharn was Chinese, born Be Tek Chiang to a poor Chinese immigrant family who sold cloth in the market, and therefore, not truly Thai. (The characterization of Banharn as Chinese was meant to disparage him, even though many of Thailand's political leaders—including Chuan—have a Chinese heritage.)

Banharn was scorned by Bangkok voters (Chart

Thai did not win any seats from Bangkok constituencies) and by the intellectual elites who viewed him as a nouveau riche country bumpkin who had no class or education. His admirers argued that Banharn was most experienced in meeting the needs of his local constituents, and could use that same strength nationally as prime minister. Rural Thais viewed the elites' contempt as the typical arrogance of those who do not appreciate the positive aspects of patronage-oriented politics.

The other significant public figure during the election was Thaksin Shinawatra, the billionaire leader of the Palang Dharma (Moral Force) Party. Thaksin's wealth came from his vast telecommunications empire, which included satellites, cellular telephones, and a pay-television system. His political career had begun in 1994 when he accepted the foreign affairs portfolio offered by then Palang Dharma leader (and former Bangkok governor) Chamlong Srimuang. He was later forced to resign amid allegations of conflict between his political and business interests, but his reputation was one of great energy and entrepreneurial talent.

MONEY POLITICS RETURNS

The elections resulted in a triumph for the Chart Thai, which captured 92 seats. As leader of the largest party, Banharn moved quickly to mobilize a coalition of parties while Chuan, whose Democratic Party won 86 seats, became the leader of the opposition. Seven parties formed the ruling coalition: Chart Thai (92 seats), Palang Dharma (23), New Aspiration (57), Kit Sangkhom (Social Action) (22), Nam Thai (Thai Leadership) (18), Prachakorn Thai (Thai Citizen) (18), and Muanchon (Mass Party) (3). The coalition controlled 233 of parliament's 391 seats.

Chart Thai did not win any seats in Bangkok or the south, but did well in rural areas where the party dominated patronage networks. With unlimited funds and with candidates who themselves were generally extremely rich, Chart Thai overcame its reputation as a "satanic" party and spread its tremendous wealth to regional voters to assure its position as the dominant party. If the May 1992 antimilitary demonstrations caused a surge of interest in democracy and a backlash against money interests, the elections this July showed that surge had dissipated and money politics had returned. Banharn's victory, and his ascent as the quintessential patronage operator in Thailand, were an apt reflection of politics as usual even though the corporate sector replaced the military as the most powerful group.

With its 86 seats, the Democrat Party formed the centerpiece of the opposition, followed by Chart Pattana (National Development) (53 seats), Seritham (Freedom) (11), and Solidarity (8). Party voting was clearest in the south (where the Democrats maintained

their hold on power by winning 46 of 51 contested seats) and in Bangkok, but in most other areas voters split their votes among more than one party. Even in parts of Bangkok voters divided their votes among various parties.

CABINET CRONIES

Following the establishment of the ruling coalition, ministerial portfolios were allocated as rewards for loyal service by MPs rather than on the basis of expertise in the substantive areas of ministries. Coalition party leaders usually insist on a quota of positions and then divide them among party loyalists. Banharn chose 49 ministers and deputy ministers, often selecting deputies from parties other than that of the minister. This approach, traditional in modern Thai politics, has led to ministry factionalism and stagnation as ministers compete rather than cooperate.

Banharn's Cabinet received negative reviews from Thailand's outspoken press. The principal complaint was that it consisted of politicians rather than technicians. The important Finance Ministry was placed in the hands of law professor Surakiart Sathirathai, a 37-year-old senior adviser to Banharn who had little experience in finance and banking. Three Cabinet members, including the new minister of justice, had had their assets seized by the former government for alleged corruption.

At the same time, the United States State Department announced that relations with Thailand could be complicated and strained if politicians suspected by the United States of drug trafficking were given Cabinet posts (the United States had previously denied entry visas to senior Chart Thai members Vatana Asavahame and Narong Wongwan because of their alleged drug ties). Chart Thai officials reacted negatively to the State Department statement, noting that Thailand is not a colony of the United States and that Americans have no business getting involved in the internal affairs of Thailand.

To ease the difficulty, Banharn appointed neither Vatana nor Narong to the Cabinet even though they represented major factions in Chart Thai. Instead, Banharn appointed Narong's son to become deputy minister of industry. Banharn himself took the position of minister of interior, but indicated that the interior position would go to other Chart Thai faction leaders once they cleared their names. The prime minister also announced that he was considering dividing the ministry into three entities, each to be led by the faction leaders. Other ministry positions were allocated to the sons of senior party leaders and the most famous godfather (Kamnan Poh) in Thailand. Only one woman, Sudarat Keyuraphan, the secretary general of the

Palang Dharma Party, was chosen for the Cabinet as deputy minister for the interior ministry.

THE ECONOMY AND ITS DISCONTENTS

Recent years have seen Thailand transformed from a somnolent agricultural society to a vibrant industrial power. The country's economic growth results from leadership dedicated to free market principles and the global export of goods. Thailand's economic growth rate in 1994 and 1995 was about 8 percent, a stunning continuation of its performance in previous decades. Exports of industrial goods have grown at about 30 percent annually, and include computers, electrical appliances, and integrated circuits; Thailand has become a prime location for assembling high-tech products from Japan, Korea, Taiwan, and the United States.

Economic ties between the United States and Thailand have improved in the last several years. Because of the Chuan government's efforts to strengthen intellectual property rights protection, Thailand is no longer on the United States trade representative's priority watch list. Two-way trade between the United States and Thailand grew 23 percent in 1994, from \$12.3 billion to \$15.2 billion, making the United States Thailand's second-largest trading partner after Japan.

Internally, the benefits of growth since the early 1960s have reduced the poverty level; 67 percent of the Thai population was considered poor in 1960, but only 18 percent met the criteria in 1994. Rural areas still have higher percentages of poverty than do urban areas, but the country's estimated per capita GNP is now just over \$2,000, compared with \$250 in 1960. But despite this impressive record, the gap between the rich and poor continues to increase.

Because Bangkok dominates much of the Thai economy, its transportation system is crucial to ensure continued economic growth. However, traffic in the capital is the worst in the world; each day 400 new cars join the approximately 3 million cars and 3 million motorcycles already jamming the city. Moreover, only 9 percent of Bangkok's surface area is streets, compared with 25 percent in most Western cities.

Thais spend an average of two hours, each way, commuting to their work. Cellular phones are ubiquitous, and a best-selling item is a portable urinal that drivers and passengers can use when unexpectedly stuck in gridlock. If and when rapid transit trains are built, they will most likely be obsolete immediately; status-oriented Thais do not take public transportation. Hence, the traffic problem will not be appreciably alleviated without drastic governmental regulations. Deputy Prime Minister Thaksin announced this

*Corruption and
personalism doom
Thailand to the
vicious cycle of
politics that has long
distinguished the
kingdom.*

August that he would solve Bangkok's traffic problems in six months, but his statement was met with skepticism. In an unprecedented gesture, the king criticized Banharn's government for its lack of creative ideas for solving the traffic problem. Most Thais interpreted the king's remarks as a sign of displeasure about the administration as a whole and the people in Banharn's Cabinet in particular.

Many of the politicians who served with Prime Minister Chatichai Choonhavan in the late 1980s are back in power; they are the same officials who launched massive infrastructure projects, including mass-transit systems, that never came to fruition. Banharn has pledged to build more roads, railroads, and bridges, but many Thais are cynical about the plans, fearing that the new, old-style free-spending politicians will make no difference in Bangkok's worsening traffic chaos and only overheat an already rapidly growing economy.

A SHIFT IN FOREIGN POLICY CONCERNS

In the postwar era, Thailand's foreign policy was principally concerned with security threats. China and Vietnam were viewed as enemies capable of intervening and turning Thailand into a "frontline" nation in the battle against communism. Internally, a rural-based insurgency led by the Communist Party of Thailand (CPT), supported by China, jeopardized Thai stability and order. With the end of the cold war, however, foreign policy has been transformed from security to economic concerns.

Today there are no external military threats to Thai sovereignty. Instead, as Thailand has become integrated into the world capitalist system, its autonomy is imperiled by economic powers such as Japan, South Korea, Taiwan, and the United States; these countries could conceivably bring Thailand to its knees through economic sanctions, or through severe economic downturns in their own countries.

To assure continued economic development, Thailand has been active in the Association of Southeast Asian Nations (ASEAN) and related trade organizations. Thailand has also pursued a foreign policy known as "constructive engagement" with its neighbor Burma (Myanmar). The purpose of this policy, which flouts the policies of most of the world's nations that want to isolate Burma because of its human rights violations, is to gain access to Burmese resources and reduce tensions between the two countries, especially on the border. Ethnic minorities in Burma often flee into Thailand to escape retaliation from the Burmese government and other forces. Armed intruders have attacked refugee camps that Burmese minorities, mainly Karen, have established on the Thai side of the border. The intruders have been identified as Burmese government forces as well as dissident Karen opposed to the refugees. On several occasions Thai and Burmese forces have clashed, and an escalation into a larger crisis is possible.

Hence, the Thais continue to keep communication with the Burmese dictators despite the latter's rejection this July of Thailand's policy of "constructive engagement" and the closing of the border to trade.

NEEDED: UNUSUAL POLITICS

Rather than moving the nation toward a more progressive democracy, the 1995 elections set back the clock with the reemergence of old-style politicians and money interests. Analysts of Thai politics predicted that Banharn's coalition would not last long because of intense factionalism in the Chart Thai Party and among the coalition partners. The fact that many MPs and Cabinet members had been implicated in corruption raised the question of possible military intervention, as in 1991 when Suchinda's coup was carried out ostensibly to end the corruption in the Chart Thai-led government of former Prime Minister Chatichai Choonhavan.

The Cabinet itself lacks sophistication, but reflects the votes for the winning parties. Thais elect candidates who deliver on their promises, candidates who tend to be wealthy and plugged into patronage politics. They vote for the personalities they know rather than for platforms they respect. Thais want leaders who will meet their needs: help in finding jobs, credit to finance projects, and entry into prestigious schools. MPs can often carry out such duties better than state bureaucrats can. Because Bangkok elites have long enjoyed the advantages of patronage, there is hubris in their belittling of provincial citizens for involvement in the same system.

For Thai intellectuals, politics as usual is not good enough in this new international era of democratization. These Thais view their political system as anachronistic, unworthy of a nation determined to take its place among the modern nations of the world. Moreover, they fear that corruption and personalism doom Thailand to the vicious cycle of politics that has long distinguished the kingdom.

It is folly to predict how the military leaders in Thailand will react to the new Thai government. In 1991, just prior to General Suchinda's coup, most analysts of Thai politics believed that military takeovers were no longer feasible with the institution of democracy and civilian rule. Following the 1995 election, the army commander-in-chief said that the military would abide by the people's choice. Nevertheless, gross corruption of the new administration leaders, a monarchical succession crisis, lack of budgetary support for the military, a drastic economic recession, and/or a perceived internal or external threat to the sovereignty of the country could bring the army back into power, as has happened constantly since 1932.

No institution has been more important in determining Thailand's prospects than the monarchy. In 1995, the royal family and the Thai people suffered a grievous loss when the king's mother died after a long

illness. Because she was especially revered, her death resulted in ceremonies reminiscent of the days of absolute monarchical rule. Her death also reminded Thais that King Phumipol Adunyadej plays a significant unifying role. He was principally responsible for ending the bloodshed in May 1992, and he keeps Thai politics moderate. Extremists know that the king will move against them, and prevail, if they attempt to put forth immoderate policies.

Hence, the king's role is significant in assessing the prospects for Thai progress and stability. Thais believe that it is bad luck to discuss succession before it is necessary, but the king's ill-health in 1995 makes the issue more significant. At present, the succession question is unresolved, although Crown Prince Vachiralongkorn appears to be training to assume the throne, but he does not command the respect and affection of Thais. However, the king's daughter, Princess Sirindhorn, is a beloved member of the royal family. Her picture adorns most Thai homes, and she is viewed as someone who

could follow the present king's reign. As a crown princess, she could ascend to the throne, and become the first female monarch in Thai history.

Thais have shown a remarkable capacity to cope with change. The beginning routinization of democratic processes, the rapid economic development for all classes, the commitment to free market forces, the successful control of birth rates, and the absence of major internal and external threats bode well for the future of the nation and the future of democracy.

At the same time, the new government must respond to severe environmental deterioration that threatens the nation's economy and value system. The gap between the rich and the poor is rising, while Westernization continues to undermine traditional Thai values. And tragically, Thailand faces a severe AIDS disaster, with as many as 1 million HIV carriers by the year 2000. To solve these and other problems will require superb leadership by hitherto untested rulers. Politics as usual may not be good enough. ■

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Nobel Peace Prize-winner "Aung San Suu Kyi's release, by itself, offers no indication of real political change. It does demonstrate that [the military government] feels confident enough to give her the same limited freedoms it gives everyone else; if she exceeds them, it can rearrest and silence her. Her release will signify real change only when [the government]. . . begins to talk to her about, as she put it, 'joint approaches to the ills besetting the nation.'"

Change in Burma?

JOSEF SILVERSTEIN

Does the release of Daw Aung San Suu Kyi from house arrest this July signal a major political change in Burma? Since the military seized power on September 18, 1988, the governing State Law and Order Restoration Council (SLORC) has made several policy and tactical changes, many of which have proved to be illusory. Is this one real, cosmetic, or a little of both?

ELIMINATING RIVALS

In response to international pressure, SLORC allowed a national election on May 27, 1990. The results gave the opposition National League for Democracy (NLD) and its leader, Aung San Suu Kyi (who had been placed under house arrest the previous year), a resounding victory. Until the election, SLORC's leaders had strongly hinted that, after order was restored, threats to the unity of that state were ended, and a national election was completed, power would be transferred to an elected parliament. But three months after the election, SLORC began reminding the public that the council's leader, General Saw Maung, had said—as early as November 1988—that the military would continue to rule under martial law until a government was established according to the provisions of a new constitution. The ruling council then promulgated Declaration 1/90, which confirmed that it would remain in power until a new constitution was written that provided for a strong government and had the approval of all ethnic groups. For the next two years, SLORC closed the door to any and all political changes.

Until April 1992, the military concentrated on consolidating power and eliminating all possible rivals. It systematically harassed elected representatives, student leaders—anyone it saw as challenging SLORC's author-

ity; it arrested, imprisoned, and tortured many while causing some to flee and others to disappear without a trace. An incident in Mandalay in September 1990, involving Buddhist monks, saw the army enter monasteries and disrobe, beat, and imprison its religious opponents. In the face of this systematic assault on real and imagined opposition, a few of the elected leaders, realizing that the parliament would not be called, sent a number of their members to the border area to remain beyond the grasp of SLORC.

SLORC also faced opposition elsewhere. Since independence, there has been a series of ethnic and political revolts against the state. Opposition groups have fought either (in the case of the Burma Communist Party) to overthrow the state, or (in the case of the country's minorities) to secede or gain greater autonomy. For the latter opponents, SLORC pursued a dual strategy—waging war against the minorities while offering cease-fire agreements if they halted their struggles against the state. SLORC was so confident that during the dry season campaign of 1991-1992, it announced that it would defeat the dominant political organization of the ethnic minorities, the Karen National Union (KNU), and capture its headquarters, but it failed.

SLORC concentrated on forcing smaller ethnic enemies on the eastern border to sign cease-fire agreements. These agreements were meant only to halt the fighting; the opposition could keep its weapons, govern its territory, and control its local economy. All political questions were put off until a constitutional government was in place. In exchange, the minorities agreed not to renew war against SLORC.

Meanwhile, on the western frontier, government forces harassed the large Muslim population in Arakan state, provoking many to flee. One attempt by a group of Muslims to flee into Bangladesh in December 1991 led to a clash between Bangladeshi border guards and the Burmese armed forces; both sides then mobilized large military contingents as more than 250,000 Burmese Muslims fled across the frontier. Their exodus

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touched off a worldwide protest by Muslim leaders and states and led to an agreement in 1992 between Burma and Bangladesh to allow Burma's Muslims to return. Although Burma entered into an agreement with the UN High Commissioner for Refugees to oversee the return of the Muslims, there is little evidence those who came back were permitted to reclaim their property, citizenship cards—for those who had them—and recreate their lives as they were before the troubles.

The minorities in revolt have accepted the Burmans—students, monks, and others—who have taken refuge among them and together have formed a national coalition, the Democratic Alliance of Burma. DAB has backed the creation of a rival government to SLORC, the National Coalition Government of the Union of Burma (NCGUB), with its headquarters at Manerplaw, the capital of the KNU. Dr. Sein Win, a cousin of Aung San Suu Kyi, is the president of the opposition government.

MILITARY DEMOCRACY

On April 23, 1992, SLORC made its first major change; General Than Shwe replaced General Saw Maung as chairman of SLORC. This was quickly followed by announcements that the army would unilaterally halt its war against the Karens and the other minorities, begin to release political prisoners (whom it previously denied holding), convene a national convention to draw up the principles for a new constitution, and allow Aung San Suu Kyi to receive visits from immediate family members. Within months it lifted curfews, canceled some martial law restrictions and, in August, opened the universities after closing them four years earlier. Internationally, SLORC also signed the 1949 Geneva Conventions on the humanitarian treatment of soldiers, sailors, and civilians involved in war, and it rejoined the nonaligned movement of nations.

These and other actions were seen by many observers as real changes; they modified the harsh domestic conditions, relaxed some human rights violations, and ended Burma's long-standing isolation in world affairs. Others, however, have noted that SLORC has not honored the Geneva Conventions in its civil wars.

Calling a national convention was SLORC's most dramatic example of eventual political change—a step toward eventually transferring power to a constitutional government. But having held a national election only to disregard its outcome, many saw SLORC's convention as no more than a cosmetic change that pushed the never-assembled parliament offstage and replaced it with a gathering SLORC could control to write the principles for a new constitution.

The national convention was assembled on January 9, 1993. SLORC invited 702 delegates: 93 represented the National League for Democracy, 73 represented NLD affiliates or other parties that had won seats in the par-

liament, and the remaining 546 were nonpolitical SLORC appointees. Opposition groups that had signed cease-fire agreements before the 1990 elections were represented, while those who signed afterward were not. Delegates were under tight restrictions: all statements and speeches had to be submitted in advance and only those approved could be presented; delegates were also barred from meeting outside the main sessions and could not discuss issues with one another or the public. Harsh penalties were meted out to those who violated the rules; several delegates dropped out, some were arrested, and a few fled to the border areas.

Even before the convention assembled, SLORC had already revealed its long-term political goal. Order 13/92 set forth six objectives the convention had to adopt; item six called for "participation of the [armed forces] in the leading role of national politics of the State of the future." With no room for the delegates to change the objectives, the product of the convention's work was a forgone conclusion.

Guided by the military personnel in charge of the convention, the delegates adopted several principles based on the six objectives to ensure perpetual military rule and guarantee that there would be no real political change in Burma. The future president will be someone with long military experience, who has lived continuously in Burma for 20 years before assuming office, and who is not married to a foreigner—thus eliminating Aung San Suu Kyi as a possible candidate. The minister in charge of defense will be a member of the military; in a national emergency, the head of the armed forces will assume control of the government. Parliament will not control or determine the budget of the defense forces. To ensure military control of the legislative process, 25 percent of the members in parliament's two houses will be active duty military officers appointed by the commander-in-chief; members of the armed forces will also be appointed to local legislatures and lower-level administrative posts.

The principles adopted thus far indicate that SLORC is recreating the political system the military had erected in the 1974 constitution. This time, however, the military will not disguise its control by appearing to transfer power to a political party. The future government, like its predecessor, will be a constitutional military dictatorship, thinly disguised in democratic dress; real power will not return to the people.

THE SEARCH FOR UNITY—AND PEACE

There seem to be no divisions among SLORC members over the goals they set in 1988: territorial integrity, national unity, and sovereignty. Until 1992, SLORC pursued these goals vigorously in fighting the minorities, in the process violating the human rights of rival soldiers and noncombatants and disregarding UN and UN Human Rights Council resolutions. It achieved limited success, but at the large cost of being treated as an out-

cast by the industrialized countries. SLORC's return to the nonaligned movement and efforts to join the Association of Southeast Asian Nations (ASEAN) were intended to fashion a network of states that supported it.

In November 1993, SLORC Lieutenant General Khin Nyunt discovered that the head of the Thai National Security Council, General Charan Kullavanijaya, was a willing partner in closing the Thai-Burma border, which cut off the minorities from the outside world and separated them from the NCGUB leaders, who were abroad and unable to return to Manerplaw. General Khin Nyunt hoped that as a result of these actions the minorities would sign a cease-fire agreement and end the civil war. It was Thailand's hope that in exchange for abandoning its long-standing policy of supporting the minorities (who had acted as buffers between the armies of the two states) and helping SLORC achieve peace in the border area, Thai businessmen would recover the crossborder trade they lost in 1988 when SLORC renewed its war against the minorities.

Thailand was the first country to embrace SLORC after it seized power and was rewarded with timber contracts in Burma. Also, in anticipation of renewed trade, Thailand has been the main source of funds and construction aid in building a "friendship" bridge across the Moei River linking the two states. Finally, Thailand hoped that peace in Burma would end the flight of minority refugees to its territory and result in their return to a peaceful Burma.

The plan has not succeeded; while the Mons entered into a cease-fire agreement, the Karens have not; the Karenni entered into an agreement at the end of 1994 but, after a few months, the Burmese military violated the agreement's terms and fighting resumed.

This January, SLORC broke its 1992 unilateral cease-fire declaration by resuming war against the Karens. The government took advantage of a split inside the KNU (a split it may have engineered) after Buddhist Karens formed the Democratic Karen Buddhist Organization (DKBO) and aided the Burmese army in overrunning Manerplaw and a river outpost, Kawmura, targets government forces could not capture on their own. The fighting triggered a new flood of Karen refugees into Thailand. This time, however, the Burmese army and its DKBO allies crossed the river border to force the refugees back; in doing so, they clashed

with Thai armed forces, killing Thai villagers and soldiers. Thailand protested Burma's intrusion and SLORC responded by halting Thai border trade and all work on the bridge.

Further south, in the area below Moulmein, Burmese and Thai economic interests have come together. Without discussing the use of land in the traditional Mon/Karen area in the Tenasserim area with local residents, Unocal (United States) and Total (France), partners in a venture with the Myanmar Oil and Gas Company (MOG), are in the process of building a pipeline to transport gas from a field in the Andaman Sea to the Thai border. To do so, SLORC has impressed local people into slave labor to lay a railway that will cross the proposed pipeline and be used to move troops to guard it. While the foreign oil companies declare that they do not intend to employ slave labor, they have done nothing publicly to urge SLORC to hire free labor. A Karen assault on Total employees earlier this year made it clear that the issues of resource exploitation

and expropriation of land remain unresolved and are impediments to national unity and economic development.¹

After seven years of SLORC rule, the central issues of national unity, territorial integrity, and peace have not been seriously addressed, and neither the cease-fires nor the solutions suggested at the national convention will solve them. Despite the gloss SLORC has put on the cease-fires as proof of having ended the civil wars, the wars are not over because the issues that triggered them have not been addressed. Real peace can come only when SLORC enters into serious political

talks with the minorities on the basis of equality. Until then, cosmetic changes may fool foreign journalists and businessmen, but not those who have fought and are ready to die for real change.

*The future
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THE ECONOMIC DIMENSION

The economic changes SLORC has undertaken since 1992 have won the most praise from outsiders. Foreign investors have formed joint ventures with 50 state enterprises. Most have invested in oil and gas exploration, hotels and tourism, fisheries, mining, manufacturing, agriculture, and transport. With the discovery of natural gas offshore and its sale to Thailand, MOG and its foreign partners hope to generate annual profits of \$400 million, once the pipeline is completed in 1998.

In the meantime, SLORC desperately needs money to fund development. It is unable to borrow from international lending institutions because of demands by developed nations that SLORC end its human rights violations and transfer power to the people. The United States will not support lending to Burma by international agencies until the country is certified as doing all

¹The Burmese army's use of slave labor in conjunction with its military campaigns and its violation of local women and abuse of villagers, regardless of sex and age, have been well documented by international nongovernmental organizations. See Amnesty International and Human Rights Watch /Asia reports from 1988 on.

it can to eradicate the production and export of opium. To counter these obstacles, the military government looks to tourism to generate foreign exchange quickly. Nineteen-ninety six has been designated "Visit Burma" year. Foreign investors, such as the United Kingdom, France, Thailand, Singapore, and the United States, have built new hotels, restaurants, improved transportation, and created a new airline. To make room for the changes, SLORC has resettled people away from cities, improved roads, spruced up potential tourist areas, and created a corridor of tourist attractions and amenities between Rangoon, Mandalay, and eastward to Taunggyi. Meanwhile, rural stagnation, inflation, low income, and military abuse of peasants lie behind the development façade.

With a currency overvalued at 6 kyat to the dollar (and with a black-market rate of 110 to 1), the dollar and other international monies have become the real medium of exchange. Without currency reform and the creation of a modern banking system, it will be impossible for SLORC to make needed reforms and address the problems of the majority of the population. Thus, while the military government publicizes the emergence of a market economy and makes cosmetic changes in the areas frequented by foreigners, there is little or no real structural change from the command economy the military originally created in 1962.

DRUG MONEY

One part of the economy that is booming and generating foreign currency is narcotics. Burma is expected to produce more than 2,475 tons of opium during the current growing season. It will enrich the financiers and traders but will barely produce a living wage for the farmers. To the outside world, Kuhn Sa, the Sino-Shan leader of the Mong Tai Army, symbolizes the wealth and power created by opium and heroin. Although he has been indicted in the United States on charges of narcotics smuggling and is the target of the Burmese army, he claims to be fighting for Shan independence and, he says, is not dealing in drugs. His army, estimated at 10,000 or more, is well armed and trained and, for the past two years, has been holding the Burmese army at bay. Government troops have captured parts of Kuhn Sa's territory, but his forces embarrassed the Burmese army by capturing and holding the important trading town of Taichalek for a few days in early 1995. However Kuhn Sa's army recently suffered sizable defections; former supporters charge him with having a greater interest in opium than in Shan political independence.

Despite the attention he draws, there are others who produce as much or more opium. The Was and Kokang, in the northern Shan state, have signed cease-fire agreements with SLORC and, as a result, the military does not interfere with their economic activity—which is mainly the cultivation, conversion, and sale of

opium. The military is also reported to be indirectly involved in the opium/heroin trade through the protection it gives to merchants and financiers and the use of military vehicles to move the crop.

THE FREEDING OF AUNG SAN SUU KYI

We return to the question with which we began: does the release of Aung San Suu Kyi indicate the beginning of real political change in Burma? Since her release, the Nobel Peace Prize winner has been exploring freedom's limits. She is free to leave her home, to have visitors, and to talk to the press, diplomats, and people who assemble at her gate; it is unclear whether she can travel about the country, hold political meetings, and have access to the local press, radio, and television. She has declined invitations to go abroad, probably for the same reason she would not leave before—because she might not be allowed to return. She has cautioned her followers to be patient and do nothing to frighten SLORC into believing that the NLD will take to the streets, lead protests, and call for change. This July she quickly learned that even a mild comment to foreign investors to wait and see if there are real changes in Burma would cause SLORC to respond by saying that her remarks were contrary to Buddhist principles and detrimental to the nation's interests; she modified her statement a week later.

Aung San Suu Kyi's release, by itself, offers no indication of real political change. It does demonstrate that SLORC feels confident enough to give her the same limited freedoms it gives everyone else; and if she exceeds them, it can rearrest and silence her. Her release will signify real change only when SLORC frees the other political prisoners it holds and begins to talk to her about, as she put it, "joint approaches to the ills besetting the nation," and about national reconciliation and the seating of the parliament; it must also recognize its responsibility to oversee the writing of a new constitution that will reflect the equality and will of all the people—Burmans and minorities alike.

Thus far it has not taken any of these steps. Instead, SLORC seems to believe that since the world clamored for Aung San Suu Kyi's release and it has complied, all criticism should end. Aung San Suu Kyi, SLORC seems to be saying, is only one citizen and as long as she behaves herself, she can have the same rights other citizens have. SLORC also seems to believe that Aung San Suu Kyi has become irrelevant to Burmese politics and it intends to keep it that way.

But in Burma's political equation, while SLORC has the guns and is willing to use them, Aung San Suu Kyi has the people. If Burma is ever to achieve internal peace, national reconciliation, and popular support, SLORC needs her cooperation. She said that she is ready to work with SLORC and awaits the opportunity. Only when SLORC realizes this fact and acts on it will real political change begin. ■

THE MONTH IN REVIEW

October 1995

INTERNATIONAL

Nobel Peace Prize

Oct. 14—In Oslo, the Nobel Peace Prize is awarded to Joseph Rotblat, a British physicist who worked on developing the 1st atomic bomb; after withdrawing from the project in 1945, he became an antinuclear activist and currently heads the antinuclear Pugwash Conferences on Science and World Affairs.

North Atlantic Treaty Organization

Oct. 20—NATO Secretary General Willy Claes resigns following his implication in a Belgian arms-purchasing bribery scandal that occurred while he was Belgium's economic affairs minister.

United Nations

Oct. 26—Leaders from nearly all the UN's member nations gather in New York to celebrate the organization's 50th anniversary.

ALGERIA

Oct. 3—The government announces the presidential candidates who will be on the ballot in the November elections; they include President Liamine Zeroual, Hamas leader Sheik Mahfoud Nehnah, a moderate Islamist, and 3 anti-Muslim candidates. The Armed Islamic Group and the Islamic Salvation Army have threatened to kill anyone who goes to the polls to vote. Muslim militants have been waging a war against the military government since it canceled legislative elections in 1992, when Muslim candidates appeared to be winning a legislative majority.

Oct. 5—A car bomb kills 9 people and wounds 19 in Algiers; no one takes responsibility for the attack.

Oct. 7—The Armed Islamic Group says it is responsible for several recent bombings in Paris that have killed 7 people and wounded 130.

Oct. 14—Abdelwahad Sadaoui, commercial director of a pro-government newspaper, is kidnapped and killed in Algiers; Muslim militants are believed responsible for the killing.

Oct. 22—Eight people are killed and 82 are wounded when a car bomb is detonated in Relizane; no one claims responsibility for the attack.

Oct. 29—A bomb detonated near a police station and apartment house in Rouiba kills 6 people and wounds 83. Muslim militants are believed responsible for the attack.

ARGENTINA

Oct. 30—Enrique Haroldo Gorriarán Merlo, the head of the leftist People's Revolutionary Party (ERP), is extradited to Argentina from Mexico City, where he was apprehended October 28. The ERP is believed to be responsible for the deaths of 700 people and kidnappings, robberies, and numerous attacks on police and military buildings, mainly in the 1970s; Gorriarán Merlo has also admitted he assassinated Nicaraguan dictator Anastasio Somoza Debayle in 1980.

AUSTRIA

Oct. 12—The governing coalition of the conservative People's

Party and the Social Democrats splits due to disagreement over the 1996 budget; the two parties have governed together for 9 years. Parliament will be dissolved shortly and new elections will be held on December 17.

BOSNIA AND HERZEGOVINA

Oct. 5—US President Bill Clinton announces that the Bosnian Serbs, the Bosnian government, and Croatia have agreed to an American-mediated cease-fire to take effect October 10.

Oct. 8—Bosnian Serb troops attack a Bosnian Muslim refugee camp, killing 6 people and wounding 30.

Oct. 10—Bosnian Serbs begin a new ethnic cleansing campaign in Banja Luka, expelling thousands of Bosnian Muslims; the government delays the cease-fire that was to have started today.

Oct. 12—All parties declare that the cease-fire, previously scheduled to begin October 10, will take effect at one minute past midnight today.

Oct. 13—Bosnian Serbs threaten to withdraw from peace talks because Bosnian government and Croatian army forces continue an offensive in the northwestern part of the country.

Oct. 18—Bosnian Serb leader Radovan Karadzic says that 2 French pilots who were captured by the Bosnian Serbs after their plane was shot down August 30 have been kidnapped; Karadzic says he suspects the Bosnian government or criminals in search of ransom.

Oct. 19—UN officials in Zagreb report that Bosnian Serbs may have killed thousands of Muslim men in northwest Bosnia, near Banja Luka, this past week.

Oct. 31—US-sponsored peace talks between the presidents of Bosnia, Croatia, and Serbia (representing the Bosnian Serbs) begin in Dayton, Ohio; talks are scheduled to last 2 weeks; if an agreement can be reached, NATO has agreed to deploy 60,000 troops to enforce the peace.

BURMA

Oct. 23—The military government bars Nobel Peace Prize-winner Aung San Suu Kyi from leading the National League for Democracy.

CANADA

Oct. 27—In Montreal, more than 150,000 people gather to rally against the secession of Quebec.

Oct. 30—In Quebec, voters narrowly defeat a Parti Québécois-backed secession referendum, 50.6% to 49.4%.

Oct. 31—Quebec's premier and Parti Québécois leader, Jacques Parizeau, resigns.

CHINA

Oct. 24—President Jiang Zemin and US President Bill Clinton meet in an unofficial capacity in New York.

COMOROS

Oct. 4—French troops invade the islands today to put down a rebellion led by French mercenary Bob Denard; Denard helped overthrow the government of President Said Mohamed Djohar on September 28.

Oct. 5—Denard and his 300-man coalition surrender to French forces.

ESTONIA

Oct. 17—*The New York Times* reports that Prime Minister Tiit Vahi and his cabinet have resigned following the announcement of a scandal in which Vahi and other politicians were discovered to have been involved in clandestine weapons sales.

FRANCE

Oct. 16—A bomb explodes in a Paris subway, wounding 29 people; it is the 8th such attack by Islamic militants, who are opposed to France's relationship with the Algerian government.

Oct. 27—The government conducts its 3d underground nuclear test beneath Mururoa Atoll in French Polynesia.

HAITI

Oct. 23—President Jean Bertrand Aristide names Foreign Minister Claudette Werleigh to replace Prime Minister Smarck Michel, who resigned October 16.

IRAQ

Oct. 15—President Saddam Hussein wins 99.96% of the vote in a general referendum held today on the question, "Do you agree that Saddam Hussein should be president of the Republic of Iraq for another seven years?"

ITALY

Oct. 26—Prime Minister Lamberto Dini survives a no-confidence vote after promising to resign before January 1, 1996, when that year's national budget is to be passed.

JAPAN

Oct. 4—Shōko Asahara, leader of the Aum Shinrikyo cult, says that he is responsible for the March 20 Tokyo subway nerve gas attacks that killed 12 people; he also confesses to other killings.

Oct. 9—Justice Minister Tomoharu Tazawa resigns after allegedly failing to report a \$2 million loan from a Buddhist organization.

Oct. 30—US Senator Sam Nunn (D.-Ga.) says Aum Shinrikyo tried to obtain chemical and nuclear weapons from the United States, Australia, and Russia.

LEBANON

Oct. 15—Iranian-backed Party of God guerrillas kill 6 Israeli soldiers in Israel's self-declared security zone in southern Lebanon.

LIBYA

Oct. 12—Egyptian Foreign Minister Amr Moussa announces that Colonel Muammar Qaddafi will stop deporting Palestinians from Libya; 400 Palestinian refugees stranded on the Libyan border with Egypt will be allowed to cross Egypt to the Gaza Strip or will return to Libya.

MACEDONIA

Oct. 3—President Kiro Gligorov is wounded in a car-bomb attack; 2 men are arrested but no group claims responsibility.

Oct. 4—Stojan Andov, speaker of parliament, is asked to take over the presidency while Gligorov recuperates from his wounds.

MEXICO

Oct. 5—Mexico repays, earlier than scheduled, \$700 million of a \$12.5 billion loan it received from the US earlier this year to assist in stabilizing the Mexican economy after the peso was sharply devalued.

Oct. 29—Police release Fernando Yáñez Muñoz, also known as Zapatista rebel leader Commandante Germán, in Mexico City. Yáñez, who was arrested October 23 on weapons charges, denies any connection with the Zapatistas.

PALESTINIAN NATIONAL AUTHORITY

Oct. 12—PLO chairman Yasir Arafat announces that Hamas has agreed to participate in upcoming Palestinian elections in the West Bank and the Gaza Strip; Hamas has opposed the Israel-PLO peace accords.

Oct. 26—Islamic Holy War leader Fathi Shiqaqi is assassinated in Sliema, Malta; no one has claimed responsibility for the killing, and Israel denies any involvement.

PHILIPPINES

Oct. 13—President Fidel Ramos signs a peace agreement with 3 Muslim rebel military groups: the Revolutionary Alliance of the Masses, the Soldiers of the Filipino People, and the Young Officers Union.

Oct. 25—The Supreme Court rules that Imelda Marcos may take the seat she won in last month's legislative elections; the election committee had disqualified her as a candidate on a technicality.

PORTUGAL

Oct. 1—The Socialists take control of parliament, winning 109 of 230 seats in elections today; Socialist leader Antonio Guterres will become prime minister; the Social Democrats won 83 seats.

RUSSIA

Oct. 4—Prime Minister Viktor Chernomyrdin announces that he will not run for president in 1996.

Oct. 8—Acting Prosecutor General Aleksei Ilyushenko resigns; Ilyushenko had led legal attacks against NTV, a private television station critical of President Boris Yeltsin, and had suspicious links with a car dealership that won a lucrative oil export license.

Oct. 9—Russian negotiators suspend troop withdrawals from Chechnya, which were part of a July 30 cease-fire agreement, after an October 6 Chechen guerrilla attack on Anatoly Romanov, the commander of Russian forces in Chechnya, that seriously wounded him and killed 3 soldiers.

Oct. 26—For the 2d time this year, Yeltsin is admitted to a Moscow hospital with chest pains; doctors, who say he is suffering from ischemia, report that he will need 6 weeks of medical rest.

Oct. 30—The liberal Yabloko party, headed by Grigory Yavlinsky, is disqualified by the Central Election Commission from the December 17 parliamentary elections after it fails to produce letters from 6 candidates who had decided not to run for parliamentary seats as Yabloko members.

SRI LANKA

Oct. 3—Military officials report that 140 Tamil guerrillas and 27 government soldiers died in fighting today in the Jaffna Peninsula.

TANZANIA

Oct. 30—The electoral commission declares results from the

country's 1st multiparty elections null and void because of several faulty or incomplete voting stations; elections are to resume tomorrow.

TURKEY

Oct. 15—Prime Minister Tansu Ciller loses a no-confidence vote in the parliament; her True Path Party calls for national elections to be held December 24. Ciller's ruling coalition fell apart last month when the Democratic Left Party withdrew in protest over labor conditions in Turkey.

Oct. 17—President Sulyeman Demirel asks Ciller to form a new government.

UNITED STATES

Oct. 1—A jury finds Sheik Omar Abdel Rahman and 9 other Muslims guilty of 48 of 50 counts of terrorism against the United States. The defendants were accused of plotting to bomb the UN building in New York, the Lincoln and Holland Tunnels, the George Washington Bridge, and New York's Federal building, and assassinate Egyptian President Hosni Mubarak.

Oct. 5—President Bill Clinton signs an executive order to ease restrictions on travel to Cuba for clergy, academics, artists, and relief agencies; it will also allow Cuban-Americans to electronically transfer money to Cuban relatives. Clinton had imposed travel and aid restrictions after Cuban President Fidel

Castro allowed a mass exodus of refugees to sail to the US. Oct. 9—Senator Sam Nunn (D.-Ga.) announces he will retire from the Senate in 1996; 8 Democratic senators have announced their retirement this year.

An Amtrak railway train derailed in Arizona, killing 1 passenger and injuring 100; the Sons of Gestapo, a previously unknown antigovernment group, says it is responsible for the action.

Oct. 16—Between 400,000 and 1,000,000 people gather in Washington, D.C. for the Million Man March, a rally for African-American men led by Nation of Islam leader Louis Farrakhan.

Oct. 24—The Senate, 93 to 5, and the House, 374 to 47, pass bills to relocate the US embassy in Israel from Tel Aviv to Jerusalem by 1999; a provision of the bill would allow Clinton to indefinitely postpone the move.

VIETNAM

Oct. 28—The government approves its first civil code, establishing intellectual, inheritance, and property rights for citizens.

Erratum: In the November 1995 issue, the name of the author of *The Age of Hirohito* was misspelled on page 391. The correct spelling is Daikichi Irokawa.

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